

Muslim World Initiative – Engagement Strategies

USAID Workshop, May 13, 2003

Executive Summary

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I. OVERVIEW

The basic requirements for development begin with security. At the next level, basic health and education services must be provided. Ultimately, economic and political transformation, resting on Rule of Law and institutional reform, will be essential to create space for moderate religious and political elements to thrive.

USAID initiatives vis-à-vis the Muslim World occur within the broader context of generalized mistrust of US motives, reflecting long-standing hostility to US foreign policies (including support of autocratic governments), the current perception of a War on Islam, and the fears created by the INS Special Registration program.

Nevertheless, USAID has the opportunity to carve out its own area of credibility, by being seen to respond to the needs considered important by local stakeholders and by involving local community members in both the design and evaluation of assistance efforts. We are reminded that the Muslim World is itself extremely diverse, and that more than 80% of the world's Muslim population lives outside of the Middle East. Assistance programs need to be planned with a country- and region-specific focus.

Finally, the most important goal of assistance programming is still the encouragement of economic growth, especially because the extremist organizations are fed by the general lack of opportunity and the growing numbers of unemployed graduates. Real economic growth, in turn, will require some measure of political and institutional reform.

II. POSSIBLE INITIATIVES

Engagement initiatives in the Muslim World would generally fall into three broad categories:

- education initiatives (including “tolerance education”)
- support for specific publications, schools, or organizations
- support for institutions and processes of democratic openness in general

Of the three, the third avenue presents the least difficulty with regard to the perception of interference, which might tend to undercut efforts in the first two categories unless they are handled very carefully through a locally established organization (such as the Asia Foundation in Indonesia).

A. Support for specific educational initiatives

The first challenge is to find credible, effective partners and networks, rather than “clients” or special-interest organizations. Without engaging directly in religious debates, assistance efforts might provide:

- curriculum materials (especially great books, Islamic and Western)
- film and video
- courses on Islamic civilization



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- training for democratic politics (media, government officials, NGOs etc.)
- US study tours

Prof. Ahmed's work on Moh. Jinnah, the founder of Pakistan, presents an Islamic model of democratic institution-building and tolerance.

B. Support for moderate organizations

Again, the challenge is to find the appropriate partners—and not undercut them by the appearance of foreign dependency. A broadened definition of appropriately “moderate” organizations is important in this regard. The clearest distinction is between violent and non-violent means; also, moderate Muslims have a more liberal perspective on one or more aspects of civil society (such as gender, politics, or religion). The issue of support for sharia (Islamic law) is not a reliable guide, as it actually includes a wide spectrum of different approaches and policies. Still less useful is the litmus test of support for US policies, particularly in the current climate.

Support is needed to provide avenues for discussion and expression, such as websites and journals. At present there is no functioning international network of moderate Muslims (as there is of Islamists); and, outside of Indonesia, there are no well-established moderate organizations.

C. Support for democratic institutions and processes

The most effective way of supporting more liberal organizations, in countries where civil organization is generally weak, is to provide broad support for a more open political process, including across-the-board support for media and political parties. The encouragement of open debate would mark a major achievement in a tightly-controlled political environment such as that of Egypt, Saudi Arabia, or Pakistan. From a long-term perspective, open debate also has the potential to bring about some broader opening of the political system and thus can enhance the possibilities for economic investment and growth.

III. PAKISTAN AND INDONESIA

Pakistan

In Pakistan, the military, initially supported by the U.S. as a counterweight to India, eventually took over the judicial and educational sectors. The over-centralized national government has weakened in recent years. Nevertheless, the current trend is toward a more repressive form of military rule, invigorated by the government's post-9-11 anti-terrorist campaign. The current fear of Islamist extremism has derailed political reform efforts for the foreseeable future.

Civil society needs strengthening in general. Models exist: the National Center for Rural Development has a training program directed toward the middle tier of civil servants, and this approach should be extended to other sectors. And Pakistan's founder, Mohammed Jinnah, serves as a model exponent of Islam-based democracy and liberal reform.



Indonesia

Indonesia has in the past few years been transformed from an autocratic, centralized, quasi-military regime to a democratic, decentralized government. The transformation, though not completely smooth, was accomplished without major civil unrest.

However, the economic crisis of 1997 which spurred the political transformation has not been completely overcome. With a legacy of over-centralized and non-transparent government agencies, Indonesia has had difficulty creating the level of institutional confidence—and especially the Rule of Law environment—that would attract business investment (foreign and domestic). Rapid decentralization has created additional uncertainties in this regard. Unemployment has thus remained very high in general, and disastrously high for new high school graduates.

The Suharto regime did however allow for a flourishing civil society, and in particular gave rise to two large, mainstream, moderate Muslim institutions and associated political parties: NU (Nahdatul Islam) and Muhammadiyah. The question of sharia law seems largely settled: sharia civil code is an established option for Indonesian Moslems, and the sharia criminal code has been essentially ruled out as a political possibility.



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MUSLIM WORLD INITIATIVE ENGAGEMENT STRATEGIES

USAID Workshop, May 13, 2003

Ronald Reagan International Trade Building, Washington, D. C.

Transcript

DR. CRONIN: Good morning. My name is Patrick Cronin, and I think I know most of you. I'm the Assistant Administrator for the Policy Program Coordination Bureau, which takes a lot of the cross-cutting issues both in policy, donor coordination, interagency, and budget, and tries to see how we can take our expertise in the field, reach out to other experts and pull together information, evaluation, policy recommendations, with what we think are helpful contributions.

And it's this kind of forum exactly that helps us to have that discussion so that we're not just talking to ourselves in the development field, and that it's not just people outside talking in an academic seminar but trying to put together the practitioners with some of the academic and scholarly experts as well.

The issue, "Muslim World Initiative, Engagement Strategies," is an ambitious title, but I think most of you in this room are aware that for some time the U.S. Government has been trying to evaluate the effectiveness of its development assistance programs, especially oriented toward the Middle East, but also more generally other predominantly Muslim countries. Pakistan and Indonesia are perhaps two of the most important of those non-Middle Eastern countries, and indeed will be the focus of some discussion today.

The strategies to date have not always been followed, but they've certainly included some of the fundamentals of development assistance. I'm part of a group of officials right now planning a donor conference for Iraq, and just to start with the immediate post-conflict setting it's important to remember the basics. You first of all have to have security, so we're obviously dealing with strategies that have to have some public order, security sector, especially in post conflict countries, and this -- really Afghanistan and Iraq are most acutely in mind.

It's a critical issue and one that is not, as we see with Iraq and as we've seen with Afghanistan and warlords, is not easy to deal with as a part of either U.S. policy or the international community quite frankly. But without security -- or with insecurity I should say -- reaching out for effective economic development is problematic at best.

The second issue that we face in Iraq right now is restoring basic services. Once you have order, and even before you have order as we found out in Baghdad, you have to move ahead with the basic services. There has to be water and sanitation, electricity and food, and some basic health care. And those become very important.

As we start to deal with those humanitarian issues in some cases in the post-conflict we then move quickly into health and education. This morning we're talking about adopting a hospital and a school. Why? Because those become centers for extremist involvement in the sense that those services end up being provided by less than moderate forces in a society in some cases. Not in all cases, and distinguishing is a very difficult issue and I'm sure we'll discuss some of that.

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1 But as we went through this list today, and that was even before we really turned
2 toward economic transformation and stimulating economic growth in Iraq-- in this case it
3 reminded me this morning of some of the challenges we face in ongoing countries that clearly
4 are not coming out of conflict but are coping with considerable forces of instability and
5 change as well, in places like Indonesia and Pakistan, coupled with the fact that the United
6 States has a very difficult time engaging in so many of these countries.

7 My wife just returned from Slovenia which was a proposed NATO member, and was
8 lecturing on counter terrorism, and she was just amazed at the virulence of anti-Americanism
9 at the University. So that's before you get into predominantly Islamic countries, in the
10 aftermath of an Iraq war and now an occupying force.

11 So none of this is easy, this is very difficult. I'm just warming up on the issue here to
12 think about how difficult it is to go back in, to effectively bring about political economic social
13 reform and support for moderate forces, institutions and capacity within key Muslim
14 countries, again looking at Indonesia and Pakistan today.

15 Not only—cuing, again to best practices and development assistance—does there have
16 to be a demand driven approach, there has to be -- everything we're looking for. We
17 cannot develop the strategies, It's a circular argument, but you have to look on the ground to
18 see what is the requirement, what is the demand -- what are the voices and the institutions
19 now that need help, and where can our institutions bring about effective, what we can call
20 broadly moderate, constructive, more pluralistic and open and transparent governance,
21 education and social services.

22 And once you do that then there's the second question of the delivery of assistance.
23 There again, because the United States is not the favorite provider in these parts of the
24 world, the light footprint of the United States isn't heard.

25 So then the question becomes, how do you provide that assistance even if the United
26 States has the best intentions—and I think in this case we are trying to have the best
27 intentions; how would we provide effective assistance given the third fact, that we have to go
28 back to Congress – and I'm looking at my close colleague and friend, Jon Breslar, who helps
29 run our budget and goes up to the Hill to explain to Congress that our money to Pakistan is
30 being very wisely spent indeed, and that the social services are increasing, or in Indonesia,
31 that our programs are very effective. That we need to demonstrate still back here in
32 Washington to continue to have support for our programs, that we are being effective. And
33 yet back in Washington you lose a lot of the nuances that you have in the field, and it's a very
34 black and white game sometimes, and very broad brushstrokes or arguments.

35 So those are some of the broad thoughts on my mind this morning as I am looking to
36 you, Jon – who was not on this early morning conference call and didn't have about six crisis
37 this morning—looking to you to introduce our first group and have this first panel discussion.
38 We've got some very distinguished and outstanding advisors here with us in this small group.
39 Jon, I'm going to turn it over to you.

1 MR. BRESLAR: Thank you very much, Patrick, for those stimulating opening remarks.
2 Obviously we're all juggling a lot of things right now, not only our approaches to the Muslim
3 world in terms of what we do and the environment we're trying to work in, but broader
4 issues of how our aid programs can be most effective, how we can look at outreach and
5 advocacy to make sure people are understanding what we're trying to do. And obviously
6 getting help from experts wherever we can.

7 We do have a stellar panel with us this morning. You have brief resumes of our panel
8 members this morning. We still have Professor William Liddle, from Ohio State, who's going
9 to be joining us momentarily, and we're looking forward to his arrival as well.

10 You can see how this morning is structured. We're focusing on a couple of key
11 countries that Patrick has already mentioned, and two very important themes: one is
12 strategies to support moderation in the Muslim world; and secondly, engaging in the Muslim
13 world in an environment of questions about U.S. legitimacy and credibility.

14 The way we're going to structure this morning is look at each of these two in terms of
15 broader discussion, having each of our panel members talk a maximum three to five minutes,
16 just some opening remarks to try to set the stage and put some ideas out there, and then the
17 second part of this morning we'll have some break-out groups where we can go a little bit
18 more in depth in these particular areas.

19 Before I start though I'm going to make sure that our panel members know who's sitting
20 around the table, so if you could just identify yourselves quickly before we start.

21 MR. JOHNSON: Thomas Johnson, I'm the Democracy Advisor in the Policy Bureau.

22 MS. PHILLIPS: Ann Phillips, Political Economy Policy Analyst in the Policy Bureau.

23 MS. BROWN: Melissa Brown, in the Donor Coordination Office in the Policy Bureau.

24 MR. GRIMM: I'm Curt Grimm, in the Africa Bureau.

25 MS. CAVITT: Roberta Cavitt, Asia/Near East Bureau, Indonesia Desk.

26 MR. MCCLELLAND: Don McClelland, in AID Central Evaluation Office.

27 MR. WILCOX: Walter Wilcox, Asia/Near East Bureau.

28 MR. TIMBERMAN: David Timberman, Asia/Near East.

29 MR. YOUNG: Alan Young, I'm at the State East Asia Bureau on the Indonesia Desk.

30 MR. SWEDBERG: Jeff Swedberg, I'm with the USAID Health and Information
31 Services.

32 MR. DOWNS: I'm Peter Downs, I'm the Pakistan Desk Officer in the Asia Bureau.

33 MS. BUTLER: I'm Tish Butler, I'm the Chief of the Policy Office in the Policy Bureau.

34 MR. LATIF: Mohammed Latif, Chair of the Europe and Eurasia Bureau Islam Group.

35 MR. BRESLAR: Excellent, thank you very much. So we have broad geographic
36 representation today and I'm delighted to have one of our key State colleagues as well, and
37 thank you for coming.

38 As we look at strategies to support moderation, we will start with Professor Ahmed
39 from American University, an expert on Pakistan.

1 PROFESSOR AHMED: I'll try to compress some ideas in these four to five minutes
2 that I have.

3 The first idea is that the United States AID, USAID, is a key arm of the United States
4 economic foreign policy, today engaged in the key arena, which is the Muslim world.

5 Second, if the premise for engagement is wrong then everything that flows will have
6 problems.

7 Third, whether we like it or we don't like it, the Muslim world is beginning to see what is
8 happening in the United States as a war on Islam. Example: The attacks on the prophet of
9 Islam, attacks on the Koran, attacks on Islam. So whatever you do in terms of digging two
10 wells or giving roads, that will be trumped by these other factors that are happening.

11 So what I'm going to be saying is relevant not only to Pakistan and Indonesia but I
12 would say to the Muslim world as a whole. And I'm talking both as an administrator who's
13 administered large chunks of the Muslim world, but also as a scholar writing about these
14 issues.

15 The first most important step has to be, and Dr. Cronin had hinted at this, is the law and
16 order situation. Without law and order in the Muslim world you have nothing, you are not
17 secure in your village, your daughter is not secure, her honor is not secure, your cattle are not
18 secure, and you then don't care whether it's an Islamic government, whether there's a military
19 dictator, whether you have democracy, but you are very unhappy. And when you're very
20 unhappy you are then susceptible to people coming along and saying look, the problems of
21 this world stem from America, here is a bomb, go and throw a bomb at the American
22 Embassy.

23 And young men will respond to that. So law and order becomes critical.

24 Now regarding Afghanistan and Iraq, we need to look at them very carefully, and I
25 would want at some stage, Dr. Cronin, for you to set up some kind of a committee or team
26 to be doing some analysis on this; I'm afraid as an administrator I would give very low marks
27 for law and order.

28 Outside Kabul you can see yourself, there is no law and order. The war lords have
29 reverted and people today, I'm horrified to say this, are saying maybe the Taliban had the
30 right answer. At least there was law and order; they locked up our women, they beat up the
31 minorities, but there was law and order. Poppy growth is back.

32 Along the Eastern frontier, and I've been an administrator on that frontier, there is no
33 law and order, people are being shot at, American troops are being engaged in warfare and
34 military exchanges.

35 Iraq, similar situation. You have Garner appointed, Garner not appointed, Bodine going
36 there, Bodine not going there, so in two to four months if you begin this process with
37 uncertainty, the ordinary Iraqi is at this moment just wanting one thing, he wants law and
38 order so that he can get on with his life. Everything else follows, health, education and so on.

39 So law and order, number one.

1 Now, the bigger issue of what to be doing about the moderate Islam or democratic
2 Islam. I believe we need to plunge into it rather than get bogged down in terms of definitions
3 that this is moderation, this is extremism, this is fundamentalism, because we would never
4 come up with answers in the next four to six weeks, it's going to take us years and years of
5 discussion. We need to just get on with it.

6 We have, I pointed this out earlier in a conference call, we have in the Muslim world an
7 authentic original model of democracy, what you call moderate Islam and that is Mr. M.A.
8 Jinnah, the founder of Pakistan.

9 In the 1930s he did lead a movement for democracy, a democratic state, which gave
10 rights to women, minorities, which believed in the constitution. And I believe that this is the
11 time when Jinnah has to be brought out of the shadows and the cobwebs rubbed off and
12 brought back into the forefront of the debate, so that people know within the Muslim world
13 that America in a subtle way, indirectly, is talking about democracy through a Muslim model,
14 not imposing it from Washington. This is a very important point, because with all that's going
15 on in the world, the perception of the war in Islam, selling democracy is going to be difficult -
16 - it will be increasingly difficult unless the law and order settles.

17 So we have Jinnah. I have a film, a feature film and a documentary on Jinnah called
18 "Mr. Jinnah, the Making of Pakistan." I'd be very happy any time that you want to see it to
19 show it so that you're able to see how historically a society, that South Asian Muslim society,
20 were able to evolve the process of democracy, which in 1947 resulted in the largest Muslim
21 nation on earth which was a democracy. So half a century ago we had the democracy which
22 rested on the idea of moderate Muslim groups, moderate Muslim society. Half a century on
23 we're struggling to find the answer we have there.

24 Another answer, and I would want you to think about this, is to conduct courses -- I'm
25 running a course called World of Islam and Guide of Civilizations on campus at American
26 University. And I'm finding them very very popular, I'm always subscribed twice as many
27 students as allowed, and I'm finding excellent speakers and visitors coming to speak to my
28 class.

29 Now this needs to be again replicated in the Muslim world so that the ullama (the
30 religious leaders), the politicians, the civil servants, are involved in this discussion so ideas
31 begin to infiltrate rather than economic ideas, ideas of culture, ideas of the dialogue of
32 civilization.

33 And finally civil servants who run the administration, diplomats who run foreign policy,
34 they could be involved in short-term exchanges brought to Washington, brought to
35 universities for four weeks, six weeks courses. When I joined the Civil Service of Pakistan
36 many years ago we were brought to England, we were brought to Oxford and Cambridge,
37 and that had a major impact I saw on my colleagues over their careers. That needs to be
38 revived. It's not going to be very expensive and the benefit from that is enormous. And we
39 have to recognize that it is a battle of ideas that is taking place. And in this battle of ideas we

1 need to now shift the emphasis from military physical confrontation to culture, to religion, to
2 history, and to ideas. Thank you.

3 MR. BRESLAR: Thank you, Professor Ahmed.

4 I'd also like to welcome Professor William Liddle, I'm glad you could join us. What we
5 were trying to do is we're now in the session on looking at moderate forces. We want each
6 of you to take three to five minutes just for some brief introductory remarks, and then we'll
7 open our discussion.

8 PROFESSOR LIDDLE: Okay. Actually I have a handout, which I hope everybody
9 has got, and it makes a couple of points about both of the questions, so I'll come back to the
10 handout later on and in the second session as well.

11 Question one is on the first page of that, and as I understood the question there are
12 really two parts to it. The first part was "define moderation," so that we know what ground
13 we are on, and so I tried to do that.

14 And then, given that particular definition of moderation, what sorts of strategic
15 suggestions do we have in mind for USAID? So on the first part of my handout is the
16 discussion of moderation, and on the second page are three suggestions, strategic
17 suggestions.

18 The point about the definition of moderation is that it seems to me that we typically are
19 defining the moderation-radicalism continuum in two ways. One is a substance one, in which
20 the moderates are the people who are really secular, or close to secular; and the radicals are
21 the people who are in favor of Shari'a, or an Islamic state.

22 The other continuum on which we define things is the use of violence versus peaceful
23 means. It's the terrorists, after all.

24 What I want to argue here, and I suspect I'm going to get a lot of support for this
25 (though there are places in Washington where you don't get support for this point of view)--
26 what I want to argue is that we shouldn't be defining moderation in terms of substance; that
27 whatever Muslims want, whether they want Shari'a or not, that's their business not our
28 business. And it's not a threat to the United States, so that's not really an issue for us.

29 The issue for us is whether they use terror or not, whether they use violence, coercion,
30 revolutionary means, however you want to define that; it doesn't just have to be random acts
31 of terror, it can be revolutionary force as well. But that's where the enemy is.

32 Now there's a connection there because the terrorists -- and this is what causes some
33 concern in Washington -- the terrorists do come from the people who want Shari'a, and so
34 the place where you look for the terrorists is among those who want Shari'a. But we need --
35 I see this so much in Indonesia, we need to be really careful at distinguishing between
36 [extremists] and some other Muslims in favor of Shari'a, like the PK political party, the
37 Justice Party in Indonesia--which is very committed to peaceful means, and yet it also wants
38 to implement Shari'a. But what they say is we're going to get there through elections and so
39 forth, and it's a long period of education. So there's no reason for them to be enemies of us,

1 indeed we can do lots of constructive things with them, but we can also create -- we can turn
2 them into enemies, for no purpose.

3 So I define moderation on the violence-non-violence spectrum, *not* on substance; and
4 moderates are the people who are not in favor of violence. That's the first point.

5 The second point is about the strategic suggestions, and I have three. I gather that
6 you're very concerned about making a Muslim connection, and this is not just what should
7 USAID policy be to Indonesia, or Pakistan, but rather what it should be in order to serve a
8 Muslim moderate agenda. And so I tried to identify three general strategic areas here in
9 which there is a genuine Muslim connection it seems to me.

10 The first is strengthening decentralization of government administration of the districts
11 and municipalities. Anybody who follows Indonesia at all knows that for 40 years or more it
12 was a highly centralized government, and there is now a big effort to decentralize in a very
13 serious way, which means districts and municipalities, counties, county-level governments,
14 400 of these county-level governments. And so there are a lot of resources, block grants
15 and so forth that are going to this level, and this is a critical area for development. And the
16 good thing about it is the Megawati government, like the Wahid government before her, and
17 the Habibie government before him, they're committed to decentralization. And so you can
18 work with Indonesian government officials on a decentralization program.

19 The Muslim connection, or at least one of the Muslim connections, is that there are
20 Islamists, pro-Shari'a people, some of whom are quite willing to use violence, who want to
21 use decentralization as an opening wedge. They'll get Shari'a implemented in this district, this
22 municipality, and so forth, and then they hope that they can spread it from there.

23 So if we're engaging the decentralization operation in Indonesia, there's a good chance
24 that, indirectly, but just by making decentralization work, the proponents of Shari'a and the
25 people who want to use violence at that level won't be nearly so successful. So that's the
26 first thing, decentralization.

27 The second thing is strengthening the rule of law. That's I guess something that
28 everybody knows, a cliché. But Indonesia is one of the places in the world that has the
29 poorest, weakest system of rule of law; it used to be adequate when Suharto was president
30 because Suharto guaranteed a lot of things, just like in China the Communist party can
31 guarantee a lot of things for investors and other people who want to act in the system; but if
32 you have a democracy then the only real guarantee is the judicial system that works. And
33 the judicial system--starting from the police all the way through the courts and the prisons--
34 don't work very well.

35 The Muslim connection here is that (a) if the rule of law can significantly improve it will
36 make Muslim terrorists easier to find, arrest and prosecute, and (b) it will undercut what is
37 likely to be the growing appeal of Shari'a, especially at these local levels. If the regular
38 judicial system doesn't work, then you get the clerics and so forth who say, we have to have
39 Shari'a in order to have a just society; you undercut that to the degree to which you have rule
40 of law really operating.

1 The problem is that there has never been an Indonesian government since independence
2 in 1950 that has really cared about rule of law. As opposed to decentralization,
3 decentralization is a place where you can really engage people. This one is a much harder
4 road, but it's obviously very important.

5 The final strategy is strengthening political party organization, and this is something that
6 USAID is already very much involved in, mostly through NDI and IRI I think. The main
7 argument here is that political parties are critical to any democracy; but in the Indonesian
8 party system the basic party distinction is a religious one. There are secular parties and there
9 are religious parties. There are three Islamist parties which got 14 percent of the vote. The
10 most interesting one, as I say, is PK, Justice Party, because it's mostly young professionals,
11 well educated in the West and so forth, that lead this party. Very interesting people, very
12 nice people, very committed people, but also very Shari'a minded people.

13 But if AID works with *all* of these political parties, then you help the Islamist parties--
14 thereby I think bringing them into your net; but you also learn what's going on and then you
15 have a dialogue with them, you see what they're really all about and so forth, and you kind of
16 head off their worst tendencies, and maybe push them a little bit in the direction of the AK
17 party in Turkey, which is what they're thinking about anyway -- or half of them are thinking in
18 that direction anyway.

19 MR. BRESLAR: Thank you very much. I'm going to break my own rule and ask if we
20 can get another perspective on Indonesia back to back here. Let me ask Professor Azis if
21 you could please give us your thoughts.

22 PROFESSOR AZIS: A hundred percent I agree with what Bill said. What I was
23 thinking too for the discussion at this meeting how to relate what he said with a little bit more
24 specific kind of activity that the USAID could help strengthening and so forth.

25 If I used the logic that Bill described earlier is it's relatively "easy" trying to find target
26 groups for this kind of an undertaking, because the majority are moderates, and they are
27 potential U.S. allies in a way. And they're also the potential effective barriers to the so-
28 called terrorism.

29 Now the only problem is that the timing of all this occurs just few years after, or even
30 still in the process of trying to recover from the major economic crisis, so this is really the
31 unfortunate thing that is going on in Indonesia. If there was no 1997 crisis maybe things
32 would be easier to deal with, but the timing was so bad. And one major, major issue in the
33 area of economics that the country is now facing is really unemployment. I mean it's easy to
34 understand, you don't have to look at the data you just go to many of the capital cities in
35 several provinces you see immediately lot of unemployment there. The latest figure I heard is
36 nine percent.

37 Now people argue that one of the things to tackle the unemployment issue is really the
38 activities investments. And here is the relationship with what Bill mentioned, many of the
39 potential investors are so discouraged by what's going on at the regional level now.

1 While I agree with the importance of decentralization and strengthening the
2 decentralization, whatever the USAID can do to help, things have to be done in much more
3 careful way. In fact I remember several years ago, just before Suharto fell, I was working
4 for the USAID on this issue of regional finance and decentralization and we were very very
5 cautious about it--you know, don't do it too fast and don't do it without looking at the
6 potential repercussions. And it turns out that things went too fast; so now maybe the
7 direction of the study on decentralization, rather than trying to push more decentralization, is
8 really trying to look at the substance, how things can be done in more gradual way, and in a
9 more careful way, because of a lot of issues at the regions including communal conflicts, you
10 know, all kinds of conflicts that we hear of across the country.

11 I'm not saying that they are all because of the press of decentralization, but to some
12 extent the too fast decentralization process sort of facilitates to stand up to the conflicts. So
13 one has to really understand now how to proceed with this process because this is not for no
14 reason. I'm not saying that we have to hold back the process of decentralization but I think
15 we have to look at the quality of the process of decentralization.

16 And the judicial reform which USAID has been working in the last couple of years
17 trying to help in this area, as well as the issues of the law and order which Professor Ahmed
18 mentioned today.

19 And last but not least is, and I don't know myself how this can be done, maybe we can
20 discuss more detail during the discussion, is this is the issue of the management of labor
21 because again this is a potential explosion on one side. On the other side this is also from
22 what I've heard discussing with many business people, this is really one that deters them to
23 continue doing business in Indonesia. This is not only for the foreign investors, but also for
24 the domestic investors.

25 So I guess during the discussion I would like to concentrate more on the details of what
26 the USAID can do in the economic area.

27 MR. BRESLAR: Thank you. Can we shift back to Pakistan?

28 MR. HAQQANI: Of course Pakistan remains in the eye of the storm and has been for
29 the last two decades. I'll just try and follow up on some of the things that have been said. I
30 think there's a little different issue of moderation, and it's an important issue to bear in mind
31 and I'll try and come to that in the course of the discussion.

32 Pakistan started out, as Professor Ahmed pointed out, as a democracy, very moderate
33 and tolerant country, but with groups that demanded Shari'a. It participated in elections,
34 they were not violent, their electoral strength never amounted to much in the 1970 election,
35 which was the first general election Pakistan had, because no more than seven percent of the
36 votes divided into three or four groups.

37 Where has their strength come from? I think we need to trace our steps back to that
38 and try and understand that, because I have a feeling that we may end up having a situation
39 where there may be certain things that U.S. can do, and there are some things that AID can
40 do. But what AID might want to do could actually be overrun by something that some other

1 part of the U.S. government are doing, and then you can just be pouring money down and
2 basically not getting any results anyway.

3 What happened in Pakistan was *consistent U.S. support for the military*, together
4 with the Pakistani military deciding, as a strategic objective, deciding that it needed slightly
5 harder-line, more radical version of Islam to build a kind of a force that would be able to
6 fight the Indians in Indian-occupied Kashmir, as the last big enterprise in which the U.S. and
7 Pakistanis are partners.

8 Now where does Pakistan stand? Well, Pakistan does not have the kind of rule of law
9 it had in the '50s and the '60s: the judiciary has become very weak because the military
10 dictated to the judiciary rather than the judiciary being able to assert itself.

11 Educational institutions. The military provides some ways, chances, to the education
12 institutions, then you have a general running a university, it's not the same as Professor
13 Ahmed running the university. And so there the Islamist groups are able to operate within
14 the campuses with a harder line ideology.

15 When I was a student I was in fact part of the Islamic movement, and it was a very
16 benign Islamic movement. All it did was distribute leaflets just as Professor Ahmed talks
17 about the PK, the justice party in Indonesia.

18 True of other people the United States can and should be able to do business with.
19 What needs to be done somehow is to stop the slide into anarchy and chaos, and here is
20 what I think needs to be done: First I think it's important to try and avoid creating a special
21 interest group that is beholden to the U.S.

22 Now let me try and explain this. What happens is that our NGOs there are people we
23 like to support, because we find them very similar to ourselves, but they're not making an
24 impact on that society at all. So what you end up doing is you create a little special interest
25 and what could happen at the end of the day is after 10, 15, 20 years many of -- the World
26 Bank has done that, there are more Pakistanis in the World Bank than Pakistanis inside
27 Pakistan who sympathize and understand the World Bank. We don't want that solution
28 coming in Pakistan at another level, where you end up creating a group of people who, you
29 know, just as the joke goes, what happened to all the pro-investment people that the Shah of
30 Iran created in Iran. Well, they're all living in the West now after the revolution. So you do
31 not want that situation to be created, a particular vested interest that is beholden to you in
32 terms of their organizations, the so-called good work they do, but they're not really having an
33 impact on society.

34 The second I think, strengthening the rule of law. That may actually need a bigger
35 political decision on the part of the U.S. government and this may be beyond the scope of
36 AID. Will the U.S. continue to turn a blind eye to its successive military allies who on the
37 one hand, say yes, yes, yes, give us the money, we want to strengthen our intelligence
38 machinery to be able to track down the terrorists, but at the same time that same intelligence
39 machinery is also supporting, or creating, another bunch of terrorists for a special type of

1 operation, as is very well known to be happening in Pakistan. So how do you avoid that?
2 That's the second point that I think we should think about.

3 The third I think is, there is a major issue in many Muslim countries, and I'm sure that's
4 true of Indonesia, but it's certainly true of Pakistan. In the last two decades a major divide
5 has been created, especially after Iranian revolution, and that is a secularist-Islamist divide
6 within Muslim society.

7 Now Turkey was the worst example of it, where the military would actually say
8 anybody that takes the name of Islam while gathering votes we'll ban it. And they keep
9 banning it, banning it, and their number of votes keeps going up. And the parties also
10 become more and more sensitive to how to make themselves all more and more within the
11 law.

12 This internal Muslim divide, which I call the civil war of ideas, I think the U.S. has to
13 play a role in it. Both in bridging this divide in terms of -- you see, it's easier -- for example
14 recently there was a whole group of Madrassahs people that were brought here by the State
15 Department, people running Madrassahs, Madrassahs teachers, and they came, and they
16 spoke to Americans quite happily through interpreters, of course, because none of them
17 speak English. But then there will be Pakistanis from the so-called secularized segment of
18 society who will not talk to the people there, the Madrassahs people, because they think well
19 these guys with American help, with the help of western power, we keep these people
20 modulized.

21 Well they don't want to be modulized anymore. And their numbers are increasing. And
22 so they have to learn to live with each other, and basically what has to be done is that the
23 Koranic precept that there is no coercion in belief -- that's the line from the Koran -- that has
24 to be the moral. And okay, some people believe in Shari'a, some don't, they have to learn to
25 communicate with each other within the democratic process, and the secularists should not
26 be allowed to oppress the Islamists as long as they are following the law.

27 You have within the United States, despite strict separation between church and state
28 and everything, you have religious groups operating, you even have the Ku Klux Klan
29 existing. The whole point is that the might of the law should not be on the side of the bigots.
30 That is what is required. You can't go around -- the way to do it is not that just because the
31 Islamists have guns, therefore we provide guns to some other people to shoot the Islamists;
32 that isn't going to bring peace, order, or stability to any part of the Muslim world, certainly
33 not to a country like Pakistan.

34 And finally let me say that there are political issues here, very significant political issues.
35 In Indonesia we all know the Suharto party was looked upon as allowed by the military in
36 power for a long time. In Pakistan the Pakistan People's Party (PPP) of Benazir Bhutto has
37 been looked upon by the military as its rival for power.

38 If the military keeps oppressing what may be the only political force, or political forces,
39 that may have popular support you will not have a viable political system, and if you don't

1 have a viable political system then the fringes will be able to assert themselves far more,
2 which is what is happening.

3 Even now with 11 percent of the vote which the Islamists got in last year's election they
4 have ended up with 23 percent of the seats in parliament. How did that happen? That
5 happened because the mainstream political forces were not allowed to take part in the
6 political process at the same level.

7 So what may be required is also some programs which engage the political movements
8 and parties, training of political cadres, because long fears of military rule create a major
9 problem, people trained in political skills just don't exist. People who can do representation
10 as well as aggregation of the point of view of the population and aren't getting that, and at the
11 same time understanding and maintaining a level of moderation in society and pushing back
12 the elements of violence.

13 And last but not least a really significant statistic in case people forget, because you will
14 always be fed statistics of harmony, children are going to school with things like that,
15 everybody in USAID dealing with Pakistan should remember there are eight million guns in
16 private hands in Pakistan, whereas the number of all forces, including police, Army,
17 paramilitary, et cetera, is just one million.

18 MR. BRESLAR: A staggering number.

19 Ms. Hawthorne, this is last but not least, and it looks like the way you're billed is you're
20 the only one that has credibility here.

21 MS. HAWTHORNE: I wanted to make a couple of brief comments about the idea of
22 moderation as it pertains to the Arab world, and I know that's not the focus of our discussion
23 today, but I think it's incredibly important because the Middle East and the Arab world really
24 remains at the heart of the broader Islamic world in many ways. And how the U.S. engages
25 with this region I think is really critical to the success of its efforts elsewhere in the Islamic
26 world.

27 First in terms of the concept of moderation, what do we mean by this in the terms of the
28 Middle East. I think it's important to keep in mind that the idea of moderation has played a
29 role, or supporting moderation, has played a role in U.S. foreign policy in the Arab world
30 for a long time. But it has been defined very narrowly as we define the broader picture of
31 U.S. foreign policy defines moderates as those who support U.S. strategicals in the region
32 and cooperate with us on our regional issues.

33 In order words we define Hosni Mubarak as a moderate Arab leader. And in terms of
34 his position on the Arab-Israeli conflict he is. But I think that the U.S. is going to have to
35 adopt a broader understanding of what moderation means, and how it filters throughout our
36 foreign policy objectives if it's to really make any headway out of this issue.

37 Because one of the key problems in the Middle East, that's been brewing for a long
38 time, but it's especially acute in the last few years, is that people who -- there's been a real
39 shift in those who perhaps in the past supported our definition of moderation in terms of
40 foreign policy or regional issues, that is no longer the case. There are very very few credible

1 people in the Arab world who would agree with our policy and how we define moderation
2 on the Arab-Israeli conflict and other issues, however they may be moderate on internal
3 domestic issues in their own countries.

4 And so there's a dichotomy there that makes it difficult for the U.S. to engage because
5 people may not fit our definition of moderation in one respect but they may fall into it within
6 their own local context. So that's a really critical, sort of analytical, issue to look at.

7 Secondly, are there moderates in the Arab world? Yes, of course there are. But I
8 think we need to break down the issue of moderation into different categories. We can think
9 about people holding moderate issues as seen within their own societies, and in some cases
10 that may overlap with how the U.S. defines the issue and in some cases it may not.

11 In the realm of religion, in the realm of culture and tolerance of different sectarian or
12 ethnic groups, on the issue of women, on the issue of politics, I think there are different
13 moderate positions on all of these issues. These people do exist.

14 But in my view, and some may disagree with me, there's no unified position across these
15 categories and there certainly is not a moderate movement. People who hold moderate
16 positions, for example who believe that societies should be brought into greater conformity
17 with Shari'a but they advocate moderate means for achieving that, are very very isolated, and
18 very much in between very repressive governments and then a very powerful extremist
19 discourse.

20 So these people tend more often than not to be individual voices who are not linked up
21 with each other, and there really isn't as yet a moderate movement within the Arab world that
22 spans across all of these issues. I think it could happen, it could emerge, but so far it's
23 incredibly fragmented.

24 Very briefly, what can the U.S. do to support people who take moderate positions on
25 these key issues in their own society? Here I'll argue in this and may be a bit controversial,
26 but I really think the underlying strategy of any approach that USAID takes has to take two
27 things into account, first -- and this is like a broken record, everyone else has already said
28 this, and you've heard it before, but the regional environment, the longer that regional
29 conflicts go on unsolved and there is instability in the region that just makes it harder for
30 moderates to gain credibility in their own societies, so we cannot look at AID initiatives in a
31 vacuum from the larger regional context.

32 And secondly I would argue that the U.S. government needs to think very seriously
33 about how political conditions, opening up political environments in the Arab world, can
34 really contribute to strengthening moderates on a variety of different issues, whether it's on
35 economic reform, on women's rights, on trade issues. In the stagnant and closed political
36 environment that exists in almost every Arab country it's very difficult for moderates on any
37 of these issues to gain a greater following for their positions.

38 And I believe that until there's a political opening in which these people can start to
39 mobilize support we really won't see much change.

1 The problem is, is that people who advance extremist positions on a variety of different
2 issues already have a built in social and political network through which to disseminate their
3 ideas. And people who hold moderate positions generally don't, or their followers are very
4 very limited and it's hard to expand their views beyond that. And I really think that that basic
5 dilemma, or that basic situation, which exists in different ways in different Arab countries is
6 not going to change unless there is some fundamental political change in those societies.

7 MR. BRESLAR: Thank you very much. We're off the a great start. These are
8 excellent perspectives, obviously the broader issue of moderation, the nuances of
9 moderation. We appreciate the country context as well as being reminded there are regional
10 issues not only within countries, but the broader Arab world as well.

11 We got a lot of food for thought here. I'm looking at the clock. We are going to try
12 and stay on time, and even with this discussion remember we have break-out groups so
13 we're going to be able to come back to the issue of moderation as well.

14 To open the discussion I'd like to ask Patrick if you'd like to make some remarks, and
15 then we'll get to a broader audience after that.

16 DR. CRONIN: Well, Jon, first remarkable succinctness on the part of our speakers
17 this morning. It's greatly appreciated because they all said something quite substantive and
18 yet said it briefly, which is a first for maybe workshops of this sort.

19 I really heard three different points, and again maybe this is my own bias on this.
20 Several of the comments are really commenting on the U.S. approach and the need for it to
21 differentiate, to take into account greater -- the culture. And these are important caveats for
22 the agency which is largely an implementing institution working in a broader policy
23 environment. We know this real well how we are caught in the middle of the policy conflict,
24 and it is obviously going to make our work much tougher to the extent the war on terrorism
25 is seen as a war on Islam, to put it that bluntly.

26 But if it's not seen as that it will make our job a lot easier, and so everything from the
27 Middle East road map to a successful post conflict reconstruction in Afghanistan, Iraq, as
28 well as additional assistance to the Middle East and Muslim countries, all of this could be put
29 over well if these things move forward.

30 I'm reminded also of a recent quote in a cable about Iraq just on the ground, that given
31 the bloodshed and the trauma and the tumult and the U.S. forces that we are going to have
32 to do five good acts of reconstruction to make up for every bad act, so maybe that's
33 something to bear in mind, how hard this work is going to be.

34 The other two sets of comments really did focus on the strategies and I guess I was
35 surprised to hear the heavy focus on the political side, the democracy and governance side
36 say relative to the economics side. This has been a contrast to, say, looking at country
37 strategies in Egypt, Jordan, in the Middle East and the Arab world where there has been a
38 certain proclivity to focus on economic strategies as the more realistic -- I'm simplifying --
39 but as the more realistic way of getting longer term political change as well. It's the way to
40 go into Egypt for instance where you cannot necessarily take on President Mubarak directly,

1 there's not that political will or capital because we have so many competing objectives, say
2 vis-a-vis Egypt, that it's much easier to look for greater economic growth and that in turn will
3 allow everything from the empowerment of women to decentralization perhaps, to political
4 change, to independent media, it could be promythic , of course that gets into, you know,
5 debicide , but you keep ignoring the political side which is the charge essentially 25 years of
6 development programs in Egypt. And so I was just struck by the focus on this, and I guess
7 I'd like to hear in the follow on, Jon, some more discussion about how exactly how to do
8 this.

9 For instance, political party development. Here maybe you've seen the latest issue of
10 Foreign Affairs where Paula Dobrianski, Under Secretary of State, sort of responds to Tom
11 Corruthers , or vice versa I guess, again about this when Tom Corruthers, also saying, you
12 know, I'm surprised that a U.S. government official would argue that U.S. policy since 9/11
13 in particular has not been to support semi-authoritarian countries and leaders in the war on
14 terrorism because that has been an overriding objective, and Paula Dubranski arguing that
15 no, we have lifted and elevated the importance of governance in democracy.

16 And I think it's possible to argue both of those, they are not mutually exclusive, but both
17 have happened in different ways. In U.S. policy we have supported Musharaf and Pakistan
18 in the war on terrorism, and that has set down some space to deal with reform, and at the
19 same time we've also put a premium on governance and democratic reforms, for instance,
20 the Middle East Partnership Initiative that Secretary Powell has launched as part of U.S.
21 policy that talks about reaching out to Arab countries and promoting and filling the three
22 deficits of the UNDP Arab World Report, and the millennium challenge account is a new
23 presidential initiative that's predicated entirely on good governance.

24 And yet at the same time we have worked with Karachi governance. So how we
25 actually do this in terms of political party assistance, and are there other elements that we're
26 missing. The rule of law, political party assistance were mentioned specifically,
27 decentralization, I didn't hear so much on independent media, civil society, perhaps some of
28 the other dimensions of this.

29 I'm interested in just the next level of detail.

30 And the third and final comment is again the economic component, and just any
31 comments on why or whether that economic oriented approach is a necessary complement,
32 are these in fact all necessary, or can we really focus on the democracy governance issues; is
33 that really the focus here? Especially with respect to Indonesia and Pakistan. Not so much
34 a coherent question but reactions.

35 MS. BUTLER: I would like to add to Patrick's issue of political -- more detail on the
36 political opening. Not on the issue of how to do it, but on the issue of as we -- there have
37 been a number of comments on the need to allow for more political space for Shari'a
38 supporting parties, and in fact we've heard in other arenas that it may be the best long-term
39 policy for the U.S. to allow a Muslim majority that supports Shari'a to take control where a
40 process, an electoral process, allows that.

1 And what I'm asking myself is what is the down side of that, and why -- in the context
2 of Indonesia and Pakistan it's not necessarily likely in the very near term, but if you take the
3 principle to a logical extension it could get to that.

4 So I'd like to hear from the panelists what is the negative side of allowing -- of the U.S.
5 allowing democratic processes for the political openings to result in majority fundamental
6 control, and the implementation of Shari'a law rather than the rule of law that we speak of
7 when we talk about strengthening rule of law.

8 MS. BROWN: Well to take Tish's question one level down, it's my understanding that
9 there are different approaches to the implementation of Shari'a. I worked in a country in
10 Nigeria where it applied to personal matters but not to criminal matters, but there is a debate
11 in that society should it apply to criminal matters. But for the time being it was more personal
12 matters.

13 So at any rate, it would be good to hear if you think -- if you could speak to different
14 country context where Shari'a has been a part of the political system, maybe not defining the
15 entire system, and how that has an impact on that country in moderating the debate, it would
16 be helpful to hear from them.

17 MR. WILCOX: I'm wondering if the panelists can speak to the issue of what I would
18 call political receptivity among political parties, among leaders in civil society. When we talk
19 about political will it seems like we're often talking about political will within the government
20 or within regimes to reform. But if we were to have, and of course we've had many political
21 party development programs, how do we deal with the case of parties that are -- and not
22 just Islamist parties, but particularly now days in many Arab countries it seems as if, quote,
23 unquote, secular parties are very distrustful of U.S. intentions and U.S. motivations.

24 And so if the panelists had any comments on how to deal with this issue of sort of
25 political or societal receptivity to AID programs I think that would be very helpful.

26 MR. DOWNS: Yeah. What I'm interested in is the link between poverty and
27 radicalism and extremism. You know, one of the tenets that is often put forth is it's poverty
28 that leads to these radical movements and I'd like to explore that linkage and causality a little
29 bit more.

30 MR. YOUNG: One of the things I'm very interested in is the role of education in
31 addressing the modern Muslim issues supporting local governance where we've been talking
32 for at least nine months now about a major education issue in Indonesia which we think
33 maybe will cut through other areas as well as a way of getting at this. But I haven't heard the
34 word mentioned and I'd be interested in hearing from the panelists.

35 MS. PHILLIPS: Just to follow up on the question of economics and the relationship
36 between politics and economics in the region I'd just like to ask you, particularly Professor
37 Azis mentioned the labor issue as an extremely important problem, potentially explosive one
38 in Indonesia -- in both Indonesia and Pakistan, what would you identify as the major
39 structural inhibitors to economic growth at the moment?

1 MR. LATIF: Jon, I would request the panelists to tell us the differences of Shari'a, PK,
2 or any other initiative with respect to the non-Arab Muslim world, which is Indonesia and
3 Pakistan are the countries, versus the Muslim other world. That's very important.

4 When we talk about the Muslim world, I would request like the comments for example
5 by Ms. Hawthorne in here, which were more like was the Arab world, which are not
6 applicable to the non-Arab Muslim world like Indonesia and Pakistan. And so I would
7 appreciate that.

8 MR. BRESLAR: And Shari'a?

9 MR. LATIF: Shari'a or any other initiative or the civil society, the rules are very
10 different if you live there.

11 MR. BRESLAR: I'd like to circle back to the politics, economics, nexus that we're
12 talking about. But again, we can bring a lot of these other more specific questions on
13 education into our focus groups that we're going to have as well.

14 But I know Ambassador Haqqani you had your hand up first.

15 MR. HAQQANI: My thing was that sometimes when we talked about rule of law and
16 democracy we forget about, you know, the evolutionary nature of these things. And the
17 important thing is will there be evolution or will we actually contribute to freezing something,
18 which is what has happened in the liberalized autocracies.

19 The United States had issues of civil rights 30 years ago, did not have right of women
20 barely -- you know, 90 years ago, things like that. There are states which still have -- so just
21 because people support PK and Shari'a which is actually divine sanctioned law as they see
22 it, the whole point is that if you create a structure where alternance of power is a possibility,
23 where people can be actually brought into office and removed from office, then you will also
24 have a process in which there will be people who at one time will say well, we are going to
25 have -- for example, gay rights in this country. You know, was it part of the concept rule of
26 law at the time of the Declaration of Independence and the signing of the Constitution? No,
27 they were not, they weren't for a couple of hundred years after that.

28 So all I'm saying is that sometimes I get this feeling that westernized, secularized elites of
29 Muslim societies actually wind up their -- counterparts and make them think oh, God, there
30 is this dreaded thing called Islamist and Shari'a and they're going to come over and they will
31 sweep everything in order and we are your best bet, and then all they do is entrench
32 themselves in fog. Mubarak for 25 years if he was really doing a gradual move to a
33 democracy I would have understood it, I haven't seen any move.

34 Musharaf is the fourth Pakistani military leader to say we need a process. Well that
35 process never takes place, it's just an excuse to stay in power and consolidate themselves.

36 And the Islamists -- there was a time at every government who wanted every dictator in
37 the world needed a Communist insurgency to justify himself. Now everybody needs an
38 Islamist effect and a Shari'a effect to justify themselves. And that is the trap I'm
39 recommending that we avoid.

1 For example, Indonesia -- in fact most Muslim countries would not reside in electing
2 hard line application of Shari'a advocates to elective office. I think that is used as an excuse
3 by the authoritarian rulers just to continue to get the assistance, just to continue to get the
4 help, and stay in power forever and ever making the world safe. The word "safe" from the
5 Islamists, that they were making the world safe from the Communists in the '60s, the '50s,
6 and the '70s.

7 So that is my point. Secondly I think that within those groups that I look at Islamic rule
8 or Shari'a also there's tremendous difference. And the reason is very simple, Islam in the
9 14th century all civilization, it has evolved in various parts in different ways and is open to
10 interpretation. All the divine word is open to interpretation, that's why you end up having
11 denominations and partitions and all.

12 The only reason why it becomes an issue in most Muslim states in my view -- that's a
13 personal view that others will disagree with -- I think it has become more of an issue because
14 Muslim societies did not evolve in a democratic direction. If we had been democracies we
15 would have -- you know, you have the Christian Coalition here influencing the Republican
16 Party, but on the fringes, I mean if they were to actually put up a candidate for president he
17 wouldn't win, all they can do is influence the platform. That is what it would have been in
18 Muslim societies, religious groups influencing the political backbones of the mainstream
19 political party.

20 But because the military stepped in, because the dictatorships were imposed, I mean
21 then -- and Muhammadiyah would have been influential in the mainstream political process
22 in Indonesia, and please correct me if I'm wrong, because you know Indonesia so much
23 better.

24 Pakistan, certainly the Muslim league and the People's Party would have been
25 influenced, the religious party would have provided them some extra votes or something to
26 influence their platforms. They would never have become major contenders for power.

27 It's the secularized dictators who use them as a means of creating the trend in which
28 they want you to be pulled in on their side, rather than on the side of the democratic process.
29

30 PROFESSOR AHMED: First one it's important to understand what the Shari'a is. The
31 Shari'a is the core of Muslim society. It is an attempt to define how to live in this world.
32 You cannot have a Muslim society without Shari'a.

33 The debate about Shari'a -- we all seem to have discovered the debate in the last
34 couple of weeks -- the debate about Shari'a is an old one, it's an ongoing one.

35 Again I go back to the 1930s, the creation of Pakistan, here is a modern Muslim state,
36 so the debate begins. What is Pakistan to be like, is it going to be ruled by the Mullahs, is it
37 going to be chopping off hands, or is it going to be a modern Muslim state and give rights to
38 minorities and so on. All this is embedded in the debates that began before the creation of
39 Pakistan, so it's not something new or not surprising.

1 What is almost predicable is how central government responds to religious parties
2 claiming to speak on behalf of Shari'a, that is significant. What is the military dictator to do,
3 Musharaf, or Mubarak. They use, and this has come up again and again, they use the
4 Shari'a or religious parties as it protects to use the sledge hammer. They very often dupe,
5 very often pull the wool over the eyes of Washington, London, and so on, here are the
6 Mullahs, mad Mullahs, they're going to take over, they'll destroy everything, they'll burn your
7 embassies, and so on. And the knee-jerk reaction is mostly general.

8 The result is that these movements then go underground, so the difference between
9 Wahmed Abdu a century ago, who comes to the West and says I love everything about the
10 West, the education, the democracy, and I wish we were like this, to Kuto, a generation on
11 who says I hate the West, blow up everything associated with this, he's very significant and
12 we need to be asking what happened in between.

13 Now you had a situation, and I don't want to make any personal opinions about
14 politicians in Pakistan, but there was a democracy, a weak, shaky corrupt, mismanaged
15 democracy, but nonetheless a democracy, what does democracy.

16 What I found interesting is how Bhutto dealt with the religious parties when two
17 provinces of Pakistan, key provinces, Baluchistan and the Frontier Province had to be given
18 to the Mullahs.

19 Now Bhutto is a very shrewd customer as we all know. He could have done what
20 Musharaf does now, which is abolish them, use the sledge hammer, or go according to his
21 instincts which is he knew that the Mullahs were basically incompetent, they were illiterate,
22 and if given government they would not last more than a couple of weeks. That is exactly
23 what he did. It was a gamble, these are the two key provinces along the borders, and he
24 said fine, give them the provinces. And within -- I was then in the Northwest Frontier
25 Province, I was in fact Deputy Secretary attached to the Chief Minister and the running of
26 this great religious figure, Mullala Amoud one of the most famous religious figures of
27 Pakistan. But it would drive any of you around the table, top level civil servants it would
28 drive you crazy because I was to go with the -- and I said sir, there is a tribal revolt in
29 Warzeristan (phonetic), we need an immediate decision and he'd say is it prayer time. And
30 I'd say what has that got to do with the tribal revolt, and he'd say well let's have lunch first,
31 and we'd sleep a little bit, and then we'd decide -- (Laughter)

32 PROFESSOR AHMED: -- and you can't run governments like this, or modern
33 governments. And within a few weeks the government failed, that was what Bhutto wanted.

34
35 So my point being made here, you have to accept the Shari'a and the debates on Shari'a
36 will remain whether America in a war on Islam, or not war on Islam, war on terrorism, or
37 not, irrespective of this. If you accept this premise then you must be involved in the debate.
38 Then you must help the enlightened opinion of Muslim scholars, opinion makers, who are
39 participating in the debate and help them in their voices. If that is correct and if you're going
40 along that route then you have to understand that sooner or later you're going to come up

1 against the wall of the repressive regime, using Islam and using the so-called Islamic element.
2 Sooner or later you'd have to come up against that.

3 Now when you come up against that you have a choice, is it real politic trumping
4 everything, or are you genuinely interested in what you're defining here as a genuine initiative
5 in the Muslim world. Because if you back off from that debate you are creating a world
6 which is going to be very turbulent and very dangerous, and it is involving 1.3 billion people.
7 And I would take issue because this question is raised by Mr. Latif, Amy mentioned the
8 Arab world as being central to the Muslim world.

9 Amy, with all due deference I think that there is a tendency in Washington to be a bit
10 focused on the Middle East. The focus has shifted, maybe Central Asia, maybe south
11 Indonesia has more Muslims than in the Arab world. The Arab world has 18 percent of the
12 Muslim world. And we need to recognize that the action is no longer in the Middle East, the
13 action has shifted. The main movements for better or for worse are taking place outside the
14 Arab world, and you need to recognize that fact because if you don't, again, you are focusing
15 and you have an imbalance in your perception, and therefore dealings with the Muslim world.

16 PROFESSOR LIDDLE: Okay, lots of different questions. Let me say first the kind of
17 context question, why so much focus on political matters.

18 I have two reasons for it; one is I knew Iwan was going to be here, he's an economist.
19 He's an economist so he says I don't have to talk about political things.

20 But the more important issue actually is that for most of the Suharto period in Indonesia
21 what AID focused on was indeed the economic stuff, and it was exactly the same kind of
22 reason as we were given for Egypt, this is what you can do, this is what you can accomplish,
23 and indeed the decentralization effort -- apparently you were involved, Iwan, I didn't know
24 that

25 -- the decentralization effort was a fiscal decentralization effort because that was what
26 you could do in the Suharto years.

27 So the economic issues have in their time been important, they continue to be important,
28 and everything Iwan said I agree with also, and presumably in a moment he's going to give us
29 some more details on that. So we do need to be continuing to pursue the economic side.

30 But we now have an opening to the political side since '98 that we didn't have before.
31 So lots of opportunities to pursue new agendas there that we couldn't, and that's why we
32 should be doing that.

33 There are already activities with regard to the media, the civil society thing goes back a
34 long way. I mean we can talk about those particulars, but already you have a whole plate
35 here of things that AID has been doing in Indonesia that are relevant to all of these things, so
36 yes.

37 A few questions about Islam and Shari'a and so forth. Tish says what's the down side
38 of allowing these democratic processes to result in fundamentalist control at some point. I
39 mean the FIST scenario in Algeria. We don't think about that too much in Indonesia

1 because we're too busy telling everybody don't worry about it, it's not a problem in
2 Indonesia.

3 I guess the basic answer is maybe the democratic answer we were hearing before.
4 These people have to work this out for themselves, and they need a democratic political
5 process to do that, and we make it more difficult for them when we get involved in it. You
6 know, if we were to kind of alienate the Islamists forces it's as though the whole weight and
7 power of the United States is operating in domestic politics in Indonesia. And it just gives
8 them more credibility, more political resources that they don't need.

9 And so if we kind of take a hands off policy, especially with regard to the political
10 parties. You know, there are seven major political parties with one percent or more of the
11 vote, and so if we say we'll help you all. Here are the programs we offered, you come to us
12 and we'll help you, then everybody thinks hey, the United States is not engaged in a war on
13 Islam because here we are criticizing American policy and saying that they're engaging in a
14 war on Islam and they still help us.

15 So this is the only answer that I can give to this, but in the Indonesian particular case it's
16 hard to imagine a time when Muslims would take over, but that's because of the nature of
17 Indonesian society, and the Javanese portion of it in particular, and so forth, which goes way
18 back.

19 There are different approaches. Everything that Professor Ahmed said about Shari'a I
20 agree with. I mean every Muslim society implements Shari'a, the question is how do you
21 define it, and so forth.

22 In the Indonesian case they've been implementing civil law for a long time, marriages
23 and divorces, inheritance, and so forth, but it's not obligatory. An Indonesian Muslim can
24 choose to go to the Shari'a court or to a civil court. If both parties agree to go a Muslim
25 court that's how that operates.

26 And so Shari'a is very much a part of people's lives, and it just varies within the society.

27 The criminal law in Indonesia is the big controversy, like the cutting off of hands, and so
28 forth, and there there is very strong support against it within the political system.

29 Poverty and radicalism. I am just reading a biography on Gandhi. The assassin of
30 Gandhi, RSS of course, the Hindu rite, was a highly educated person. I didn't know that
31 before I read this biography of Gandhi. I myself was very dubious about this proposition
32 that if you engage in a war on poverty, or educate everybody, if you educate everybody
33 there won't be a problem, there are plenty of educated terrorists around, I mean the people
34 who attacked the World Trade Center mostly had higher Western educations. I don't buy
35 that kind of argument.

36 On the other hand we do know in the Middle East again that organizations like FIST
37 did indeed recruit among poorer populations by providing social services that the
38 government was not providing to them. And PK in Indonesia, and other Muslim parties in
39 Indonesia, are trying to do the same thing, they're trying to model themselves on that. And
40 so they think that this is a way for them to get support.

1 But I just -- I don't know, it's a very complicated -- whatever the relationship is, it's a
2 very complicated relationship. Why don't I just stop there.

3 DR. CRONIN: Was that your answer though to the education program that --

4 PROFESSOR LIDDLE: Well, let me think about that. I didn't have -- because you
5 had said let's focus on the political and economic and so I didn't have -- so we need to come
6 back to the education thing, and I'm willing -- I need a few more minutes to put something
7 together on the education thing.

8 PROFESSOR AZIS: Let me give a comment on this division thing as mentioned
9 earlier. Everybody agree -- I mean who would not agree with, you know, strengthening the
10 education, it's like the general propositions. But again if I lifted the biggest issues in the
11 current Indonesian situation it's really the unemployment, as I said earlier.

12 Before -- let's see, in the '80s the percentage number of the high school graduate
13 unemployment is only 22 percent, in the range of 20, 25 percent. But now it's 60 percent. I
14 mean talk about education, they are educated in the formal sense, but there is no job. I
15 mean I don't have to spell out what does it mean in terms of the, you know, potential social
16 disruptions and so forth. And it does have to be everywhere, you know, across the
17 countries.

18 So maybe the direction -- the question is not really education or not education, but what
19 kind of education. But at the same time it cannot be, you know, separated from the issues of
20 employment, the economic job creation, and so forth. And that's why I couldn't stress more
21 than what I've been saying, this is three problems in Indonesia, employment, employment and
22 employment. That's it. And that comes to a question that was raised earlier about what
23 inhibit the economic activity which eventually create employment.

24 There are three things if I can sort of identify, and only two of them are USAID
25 potentially can help, because the first one I don't think it's a USAID affair.

26 One is the reason of the investors, okay, and this I will categorize both the foreign
27 investors as well as the Indonesian money that left the country in 1997, mostly the Chinese
28 money. Now as I said I don't think this is the area where USAID can help.

29 But the other two things are very relevant. One is what Bill mentioned earlier in his
30 presentation about decentralization. Why investors are not investing in the region. When I
31 said region I mean more -- but none Java, but mostly outside Java.

32 One of the reasons -- I'm not saying the only one, but one of the reasons is because this
33 decentralization thing which has gone too far and too disorganized, and I would like to stress
34 again, you know, if USAID looked back at the studies that they've done around 1995, '96,
35 '97, it was very clear, they even come up with sort of stages, how to proceed with
36 decentralization. But as we observed since 1998 things went just wrong and they went too
37 fast, and no control, and so forth. And, you know, Bill was mentioning but all these last
38 three presidents that we have are all in favor of decentralization. But just last -- two days
39 ago I think, Megawati said openly and publicly that this decentralization has gone too far and
40 too wrong, because, you know, when the law number 28 or 29, two laws on regional

1 decentralization, was passed everybody was in euphoria, especially the Bupati, half of the
2 districts they're all in euphoria, they were all saying we are ready and we can do ourself
3 without the help of the central government. Look what happened now. They cannot do it,
4 they cannot do it, they simply cannot even attract, you know, small and medium skilled
5 business people.

6 So this is the area where I think, you know, with the help of USAID -- I'm not saying
7 that USAID can do all this, but, you know, collaborations with the locals and so forth I think
8 USAID can do something about it.

9 And the second is really the judicial reform, which again USAID has been doing. This
10 is the reason why last Friday when we have the conference call I was asking are we
11 concentrating only on the new things, or, you know, the things that USAID has been doing
12 so far.

13 MS. HAWTHORNE: Just briefly, first of all I take Professor Ahmed's remarks
14 respectfully, and I agree with him on the marginality in many ways of the Arab world to the
15 rest of the Islamic world, but I would just remind everyone that a lot of the key issues that
16 are driving the rethinking of U.S. foreign policy in the Islamic world, quote, unquote, really
17 either emanate from or are found in spades in the Arab world, so I don't think we can get
18 away from those issues. And there I'm talking about terrorism, radicalism, et cetera.

19 Very briefly on the relationship between economic reform and political reform, to be
20 sure we've seen many cases around the world, or several cases around the world, where
21 economic growth and economic improvement has come under authoritarian regimes. We've
22 seen -- we know that that exists.

23 I think at least in the Middle East political economy experts are starting to question
24 whether that model can really take hold in the Arab world because we have not seen
25 leaders, and possibly with the exception of Tunisia which I think in some ways is a special
26 case, authoritarian leaders who have led their societies, or are leading their societies, to
27 economic prosperity.

28 It really is, in my view, in the Arab world at least a question of leadership. In other
29 words is this region going to produce leaders who are willing to take very bold and dramatic
30 steps to change the economic conditions in their societies. And so far the answer has really
31 been no.

32 And that's why many experts are starting to flip the question around, instead of asking
33 can we get economic change that will later lay the groundwork for a positive political change
34 later on, and now people are starting to ask what kind of political changes would facilitate
35 this sort of economic improvements that the region needs to see. And this is an incredibly
36 complex issue and I won't try to go deeper into it than that, but I'll just say that this is a
37 matter of some debate.

38 And secondly, on the issue of the relationship between poverty and radicalism I think
39 one of the challenges with groups -- for example like Al Qaeda is that their philosophy, if
40 that's really the right word, is so multi-faceted it can appeal to and draw adherents in a

1 number of different contexts. I mean we have to remember that the people who were
2 involved in founding this movement to a large extent were upper/middle class, and in the case
3 of Osama Bin Laden incredibly wealthy, individuals. So this is not a movement that is really
4 about -- it's not an anti-poverty, or even in many ways, a class-based movement. But it's
5 such a diverse and multi-faceted it can be adapted to different conditions that we see it can
6 attract very wealthy followers in Egypt, and it can attract people in Yemen, and other very
7 very impoverished countries who really do see these movements as a way to improve their
8 material status.

9 So it's very diverse, and that's the challenge of trying to counter it in the long run as it
10 can have different appeal in different contexts.

11 But I would agree with the other comments that the link between poverty and
12 radicalism, at least in terms of Islamic extremism is not as direct as some might think.

13 PROFESSOR LIDDLE: May I add a comment. Ambassador Haqqani said before
14 that if Muslim majority countries had just been allowed to develop democratically that we
15 would have seen a kind of normal process in which the Shari'a people like the Christian right
16 in the United States would have been a part, and so forth.

17 And I think that's probably right, and I'm trying to keep that in my mind. On the other
18 hand one of the things that I think about 30 years of Indonesian dictatorship is that the two
19 organizations that you mentioned, Muhammadiyah and Nahdatul Ulama are moderate
20 today in part because of the dictatorship, not because of the democracy. That is to say you
21 had -- when Indonesia was a democracy in the '50s you had much more -- many more
22 parties, much larger parties, who were in favor of Shari'a than you have today. And so 40
23 years of dictatorship, 30 years of dictatorship, produced progress on that front.

24 And I think the reason -- there's a reason, it's not just accidental. The reason has to do
25 with individuals within the Muslim community saying we've got to figure this out. We got to
26 figure out how to live in this world, if we can't overthrow it we've got to figure out to operate
27 within it. And there was some leadership and then some follower-ship, and that's where we
28 are today. But it's not just democracy that produces moderation.

29 DR. CRONIN: Well, Jon, I'm not sure I can add a lot. I think there are two other
30 points that occur to me based on the follow-up discussion.

31 The first one is the problem that Ambassador Haqqani referred to, and I'll label policy
32 incoherence. It's the perennial problem in developing assistance of are your policies working
33 at cross purposes or are they working in harmony. And the reality is there's often a great
34 deal of tension in those policies and I think especially when we're talking about Muslim world
35 engagement strategies we have to recognize there are going to continue to be those tensions
36 as much as we want to appreciate the distinction that the Islamists are not necessarily forces
37 of evil, or retrogression, as long as they're abiding by their own law.

38 The reality is that there's always going to be a security incurred of working at the same
39 time focusing on extremists, and those extremists they can go back to the point that they will
40 be found in these groups. And so after part of our policy in tandem with in fact the

1 indigenous government attacks these groups it's almost impossible to avoid the backlash, to
2 avoid what they've driven underground, whether we're just identified as the enemy trying to
3 impose our views. That's going to be a condition that's going to be with us for some time,
4 and we're going to have to work under that and trying to moderate it is about the best we
5 can do.

6 I think we're going to continue to have to live with policy incoherence in other words,
7 that seems our best case.

8 I don't want to resign myself to that, but I fear that that's probably the reality. A second
9 issue is again trying to keep the political and economic linked in my mind. I don't think
10 there's a single answer, and I don't think anybody here is suggesting that even while we focus
11 on some very interesting ideas, especially on the political ideas. I think these political ideas
12 will benefit a great deal if there's also some economic stimulus in growth, and conversely I
13 think even dealing with unemployment and the economic issues of the whole relationship of
14 education for jobs, for instance, which is a broad rubric under which we can come up with
15 quite a long list of new ideas, and old ideas that we've tried whether you've tried them, Jon,
16 in Lebanon where you were most recently Mission Director, things were tried in Egypt, and
17 other -- and we're doing in Indonesia, and we're talking about in Pakistan, going beyond
18 basic education to think about the intermediate higher education, that is given unemployment
19 and especially young men on the streets, I mean you want to -- it's not just education but it is
20 education that actually leads to something that will tie into an economic future and a career.

21 Again, you can't do that in isolation, there still has to be the foreign directed investment,
22 investors coming with confidence. I mean these are all again inter-linked, and I guess I'm just
23 mindful of that, and yet my last caveat is that at AID, because we see all these complexities
24 we often appreciate nuances, but that doesn't necessarily help you in the policy arena where
25 nuances get cut out. You have to have a clear direction, and the people who are after
26 extremists will win the debate because they have a very clear objective, they have a very
27 single-minded objective.

28 We have the big broad nebulous, you know, interconnected, complex, sophisticated,
29 objective. And so the question is how do we help focus a Muslim world initiative that is truly
30 positive for these countries, and for the peoples of these countries, and can still withstand the
31 slings and arrows of having policy incoherence.

32 MR. BRESLAR: Okay, thank you very much. Actually that's a good segue into our
33 second topic on the agenda today.

34 But first I wanted to apologize, I had some people that I couldn't see through. We've
35 got Michael McClutchen, we've got Hal Grade, Steve Gittings, who are with us, and I'm
36 sorry I didn't give you a chance to introduce yourselves at the beginning. But welcome, in
37 addition to our friends from the Iris group that are on the other side. There are a few seats at
38 the table if you'd like to come and join us.

39 It's become pretty clear to me, and I think everyone, these aren't distinct discussions
40 that we're having today, it's almost, one, we were looking how to promote moderation but

1 we got some very good, very sound, ideas on what not just USAID can do, but any player
2 who's trying to work in the Muslim world, the kinds of things that we're after.

3 And I look at this second session as almost being a little bit more operational. We've
4 heard that legitimacy and credibility, how serious is the issue. I think we've heard a lot that
5 it's very serious, there's no question of ignoring it. And now we're looking at constructive
6 ways to engage, and we've heard some of these already.

7 PROFESSOR LIDDLE: You want us to talk about the second question?

8 MS. HAWTHORNE: I guess how I would address this issue just in very broad
9 strokes in an introductory way is that legitimacy and credibility we can really look at maybe
10 on two levels. And the first level I would say is the very very big picture high level, which is
11 how do people in the Muslim world -- do they believe that U.S. foreign policy has legitimacy
12 or credibility in terms of foreign policy issues that are important to them. To they believe that
13 U.S. policy is designed to assist people in the Muslim world or works against their interests
14 in terms of our broad foreign policy perspectives.

15 And here I mean it's dangerous to generalize, but I feel safe in saying that I would say
16 most people say no, our policy does not have legitimacy when viewed through that lens, that
17 most people in these countries do not believe that U.S. policy, U.S. foreign policy, has broad
18 strokes designed to help them, assist them, improve their lives, that our policies are designed
19 to -- that have legitimacy on issues that are important to them in terms of foreign policy
20 global issues.

21 There the U.S. has a tremendous problem, and this is only made worse I think by some
22 of the key issues that the U.S. has in foreign policy, again in the Middle East, but I think this
23 is resonating throughout the broader society which has to do with Iraq, and of course the
24 Israeli/Palestinian conflict.

25 I think the U.S. credibility on both of these issues is incredibly low. So what can
26 USAID do about that?

27 Practically nothing in my view, except of course be aware of it, which all of you are very
28 well aware of it because you're engaged in working with these countries.

29 But I think there's a second level which is how maybe people would define legitimacy or
30 credibility in that USAID and other kind of U.S. foreign policy assistance programs in your
31 countries address local issues that are important to them, and do so in a way that has
32 legitimacy and credibility in a local context. And there I would say it probably varies
33 tremendously from country to country, from issue to issue. But this is where I think there is a
34 lot of good work that can be done and that already USAID is doing. And I think that
35 people who live in Muslim countries they're human beings like everyone else, and they're
36 able to distinguish between these two levels.

37 And I think that in terms of the second level what would make a difference for people in
38 very broad strokes is the very basic and obvious question, but is U.S. foreign assistance
39 addressing issues that they believe are important to them.

1 Now these societies are very diverse, how do you -- you can't please everyone, but
2 generally speaking is assistance-targeted areas that people -- and to issues that locally
3 people think is important.

4 Often the answer is no, and in some cases this is because of a lack of information, and
5 in some cases it's because of political or foreign policy imperatives that are very difficult to
6 address. But here I'll just mention sort of two brief issues on the issue of AID on the local
7 level.

8 I think there's definitely room for improvement in terms of including local people more in
9 the design and evaluation of AID projects. I realize this is going out on a limb a bit, but I
10 think that when I spent time at least in the Middle East and talked with a lot of people about
11 AID program in the very specific areas of democracy and governance, and granted it's only
12 one of many many areas, people believe that U.S. programs too often are created in a
13 vacuum, behind closed doors, they don't know why certain people are receiving assistance,
14 or how programs were developed, or how the money is being spent.

15 And knowing a little bit about how AID works I realize this is not an easy issue to
16 overcome, but I think there are some creative strategies to including people more in the
17 design process, and that makes them believe, or gives them greater stake in believing that
18 what the programs are there to do is to address issues that are important to them, and
19 they've shaped the design and outcome.

20 I also think there's some creative possibilities in terms of evaluation of programs by
21 people in societies. This is a controversial idea, it's very very tricky how it works on the
22 ground, but this is a complaint that I hear time and time again from talking to people is, we
23 don't think this program is effective, this particular program, that particular program, we don't
24 think that the U.S. is engaging with people who have local credibility and legitimacy on issues
25 that are important to us, but we have no way of affecting -- this is being something that's
26 done to us or for us but we're not as engaged in the process.

27 I think in the last decade USAID along with other development agencies have made
28 tremendous progress in addressing both of these issues design and evaluation, but I think
29 there's much more that can be done, and we can talk in some detail about how that would
30 work.

31 Now if those issues are addressed it doesn't solve the higher level problem of U.S.
32 legitimacy and credibility, which is a very very serious problem. But it goes beyond the
33 scope I think of what we in this room can really address, so I'll leave it there.

34 MR. HAQQANI: Let me just say that -- I'll start where Amy has left off, which is that,
35 you know, there are many issues of credibility which we cannot address, and so I think I'll
36 start from understanding and accepting Dr. Cronin's notion that there will always be policy
37 incoherence, and therefore we should try and look what we can do at the margins rather than
38 trying to address the core issues.

39 I don't think that the level where U.S. credibility has come in the Muslim world, and
40 here I'm talking about from Morocco to Indonesia, I don't think that that can be addressed

1 with anything that USAID can develop in the short term. That is something that I think we
2 should just -- we should try and take as something that is there and we have to live with it.

3 At the same time we should look at it as live with the hope that, you know, the broader
4 policy issues will be addressed, and if they are addressed what can we do that once they are
5 finally addressed and that credibility threshold rises when we are in position to be able to
6 take advantage of that, and ride the surf so to speak.

7 And I think that's what needs to be looked at because with polls showing approval for
8 the United States at below 10 percent in almost every Muslim country, in the context with
9 the Iraq war and post war polls haven't shown an improvement where they have taken place.

10 Belying the assumption that, you know, a quick victory will change hearts and minds. I
11 don't think -- yes, the street marchers have stopped, but I don't think hearts and minds are
12 going to change overnight.

13 What can be done? I think that it has to be a good mix of things that the U.S. has
14 to do. The most important thing is not to do anything that erodes the credibility for them.
15 And here I would like to come back to something I had said earlier about trying to avoid
16 creating a special interest group, the modern equivalent of the Rice Christians, as a friend of
17 mine says, you know, during the -- when the missionaries went and tried to convert people
18 and offered rice, there were many people who said yes, we are Christian as long as we get
19 the rice. So we don't want a whole set of people in the Muslim world saying oh, we are the
20 moderate Muslims you need to plan the programs of.

21 And that I think is something that Amy would probably be able to enlighten us a bit
22 about because one has heard at least in the Middle East, in the Middle East there are little
23 constituencies or people who because they've become experts at designing their programs
24 exactly the way they think that the donors want them to be therefore they end up having that.

25 And I can see that process in Pakistan. I can see that process in Pakistan and I think that is
26 something we can work on at least and that is something I leave with all of you to make a
27 distinction between when a program is actually having an impact on the broader issues and
28 when it is actually just somebody who designed the program because they knew that it
29 would impress us, and therefore make us come up with the funding.

30 Two or three areas in Pakistan, of course civil society is very weak and anything that
31 strengthens civil society would be an important thing. Second, one of the things that has
32 happened over the years, especially the last two decades, in the civil war of ideas within
33 Pakistan the institutional framework benefits the extremists rather than the moderates. For
34 example, it's easier for newspapers that are Jihadist to declare people like myself or
35 somebody else as, you know, sold to the U.S., or sold to the Indians, or, you know. So
36 therefore there is some room for tolerance, education programs. I mean I am not talking
37 about basic literacy and I'm not talking about -- but something that could actually work on
38 the opinion leaders and the political social or intellectual or media or academic people who
39 can actually understand this.

1 I'll repeat something I said earlier, a secularist Islamist dialogue, an acceptance that you
2 know people can have a diversity of views and still talk to each other, that the only way to
3 talk to each other is not by throwing stones at each other's offices. And I think that
4 something like that would be really welcome in the context of Pakistan where the dollar and
5 silver have fallen considerably.

6 And I think building some kind of a free media which is not directed against the Islamists
7 per se, but is based on the notion of let a hundred flowers bloom, you know, let people have
8 various opinions and not go around -- because one of the biggest problems that have
9 happened in the Muslim world is what I would call the whole notion of Pak fear. And I take
10 Professor Liddle's comment about, you know, dictatorship having had some sobering effect,
11 but the fact is that the last 100 years have seen a movement in the Islamic world where some
12 people take it upon themselves that they can actually define who is and who is not a Muslim,
13 or to take it further and say who is or who is not a good Muslim. Now that phenomenon
14 takes place everywhere in every society which is increasingly religious, there will always be
15 people who will point their finger at you and say you know you're a sinner.

16 But in the Muslim societies that happening in an organized manner creates a lot of
17 tension, that perhaps something can be done, and we can discuss it later on as well, about
18 how to promote the tolerance of mutually different and divergent views, and maybe that is
19 something that can be done. And that may also increase some credibility for the United
20 States, the sense that the United States is helping an idea, the idea of tolerance rather than
21 individuals with certain sets of views.

22 DR. AHMED: In terms of U.S. legitimacy and credibility two points, the good news is
23 that it's not a permanent situation, it is fluid, changing. September 12th, 2001 the United
24 States was very high up in the graph in terms of affection and support throughout the Muslim
25 world, barring some minor groups. One year later, and months later, today, the graph has
26 fallen.

27 So it is not static it is a changing fluid situation, and therefore holds the potential to once
28 again change and turn around the low popularity of the United States as it stands today.

29 The second point, the bad news is that I'm afraid the experts are really getting it wrong.
30 You recall just before the Iraq war we kept hearing from the experts that once the American
31 troops, who did a magnificent job in terms of the military victory, they were absolutely
32 superb, they went there and a couple of weeks the game was up. But it wasn't really a
33 military battle we were talking about, it was the battle for the hearts and minds of the Muslim
34 world.

35 We were told that the people of Basra , the people of Iraq would rise and welcome
36 them with garlands of flowers and all kinds of slogans. We were also told that the Arabs,
37 and here the experts on the Arab world, love a strong man. So when General Garner comes
38 they would once garland him because he's the strong man, and they love the strong man.

1 Now both these assumptions have proved to be disastrously wrong, we're seeing that
2 the Arab world in fact did not rise to welcome the troops and in fact there's a great deal of
3 resentment building up.

4 So the experts are getting it wrong, we need to really once again go back to the
5 premise, is the thrust going to be economic or after September 11th has it changed, is it
6 going to be more cultural.

7 Take Karachi itself. Now when we talk of Karachi it is associated with the breakdown,
8 the dramatic breakdown, of law and order with the killing of Danny Pearl. Now that
9 became world news, this was a terrible, horrific, death of this very bright young journalist.
10 But what people are not seeing is that Karachi was already in the process of disintegration
11 and decay for almost a decade. That the law and order in Karachi is close to anarchy, as
12 close as is possible, that there is a systematic killing of medical doctors in Karachi. If you're
13 a Shiite you'll get shot, if you're a Sunni you'll get shot.

14 Now this would not make any sense to anyone who is not aware of the culture milieu
15 within which the Muslim world is functioning. It has nothing to do with the United States of
16 America. These are sectarian wars taking place. They may be ethnic wars taking place,
17 Shiites, Sunnis killing each other, or Majas (phonetic) and Sindhis killing other. Nothing to
18 do with the United States of America.

19 How it is complicated is that when government gets involved and finds a ready-made
20 situation and labels their own actions as identified with the initiatives coming from
21 Washington. So the government then wants to implement its own position locally, and then
22 label that action as anti-terrorist. So today suddenly anything that a government wants to --
23 whether it's the Indian government in Kashmir, whether it's the Russian government in
24 Chechnya, whether it's the Pakistan government within Pakistan, they simply have to stick
25 the label terrorist, and they can get away with it.

26 Which in turn causes a great deal of anger, and then so that action is associated with the
27 United States of America. So we are seeing again the complications of being on the ground,
28 and the experts not being able to disentangle all these strands. And I think therefore we go
29 back to the idea of the experts working within a culture with you and trying to explain what is
30 happening in the Western world today.

31 MR. BRESLAR: Thank you.

32 Yes, sir?

33 PROFESSOR AZIS: Now in short if we're looking at the easier theoretical -- U.S.
34 and within the context of the current situation, you know, anti- terrorism and so forth, I think
35 so far the U.S. of course has been right as far as Indonesia, and rather than, you know,
36 thinking of what deploying the U.S. forces and so forth, the U.S. can help free that country
37 from being used as essentially, you know, international terrorists groups, like for example in
38 the area of providing intelligence information.

39 And, you know, if there is any positive things coming out from the Bali bombing it's
40 really the -- what I see it as the improved sort of image of the -- not only U.S. but also

1 Western countries in general. Before the Bali bombing there is a lot of cynicism and a lot of,
2 you know, sort of thinking about someone behind all these kinds of things, but immediately
3 after the Bali bombing and since things have been going very well. If you look at the trial of
4 the Bali bombing, and if you look also at the trial of the Bashir there's nothing that people
5 originally worried that there will be some sort of repercussions in the movements or be some
6 Muslim groups, not only the radicals but also the moderate Muslims, especially after the war
7 in Iraq and so forth.

8 But it turns out to be positive, and the perceptions that Iraq are wrong, but the
9 perception was there that one of the reasons why there was a improved -- and also
10 improved perception was the U.S. and other Western countries because they provided a lot
11 of information, intelligence information.

12 So I don't see any problems in that area. But again coming back into the issues that
13 we've been talking, the economic areas because, you know, if you talk about the law and
14 order you have been discussing how could you expect there's a law and order when the
15 salary of the Middle East people who are really working on the field is \$60 a month, and so
16 forth. And also two thirds of the military budget comes from the off budget, not from the on
17 budget.

18 Now what does it mean, off budget? That means the military are doing all the wrong
19 things, you know, including protecting the smog, cutting the trees, and things like that.

20 And so these are more the area of the domestic issues, nothing to do with the U.S. --

21 PROFESSOR LIDDLE: Okay, first I'd like to respond directly to what Amy said
22 about design and evaluation because my direct experience with AID in Indonesia is, and it's
23 really with NDI, my totally direct experience is consulting with NDI, and here I was amazed
24 from the beginning at the extent to which they took seriously input from their existing clients
25 and potential clients and so forth, for the design. And then for the evaluation also.
26 Evaluation is a little harder of course because you've got to go outside to others, and what
27 have you. But evaluation going to the University of Indonesia and getting teams of people to
28 evaluate independently the successes and failures and so forth.

29 There was -- at the level of NDI implementing, and getting of course a contract from
30 USAID and then implementing it, I would say the very first priority, or you know, let's sit
31 around the table and the first thing we want to talk about is how do we find out what
32 Indonesians want, and then we figure out how to design it together, and so forth.

33 So I don't want to argue this as something that exists all over the world, or even AID in
34 Indonesia, but this is a great model at the very least that could be implemented by others.
35 And so I was surprised myself at the extent because I would have expected a much more
36 paternalistic attitude in the beginning and I never found it.

37 So that's it, but you raise a very important issue.

38 Okay, in my comments I agree, and everybody agrees I guess, that the U.S. had a
39 credibility problem in Indonesia. I guess one of my value added here is that I see it not just
40 as a Muslim issue but also as a nationalist issue. That is to say many envisions -- some

1 envisions think we're at war with Islam of course, but some of them also think that we're the
2 successors to the British and the French and the Dutch, and so forth as the colonial power.
3 And we might be a little more sophisticated about how we do it, but now we're not
4 sophisticated we're right in there taking Iraq. Used to be we were a little more, you know,
5 neo-colonialism, a little more sophisticated than that, but the old fashioned form of
6 colonialism is what we're doing again in Iraq, and that really resonates with a lot of
7 Indonesians because nationalism as an ideology is very strong, very deep, tied of course to
8 Sukarno and so forth. And we're still in the early phase of the creation of Indonesia as a
9 nation state. So that's very strong.

10 So you get both of these reactions against the United States.

11 And so I guess a couple of people have also said that the main response to this is not in
12 USAID's hands, this is really for the Bush administration to make good, substantively, not
13 PR but substantively on the promise to get a solution to Palestine, and also to genuinely bring
14 democracy to Iraq and then get out.

15 And if those two things -- yeah, I understand these are tall orders, but that's where the
16 credibility -- that's where the rubber hits the road for Indonesian credibility. If you
17 accomplish what you said here then a lot of the cynicism will go away because Indonesians
18 they don't hate the United States, they don't hate our values, quote, unquote, they hate our
19 policies, and this is also where Amy was. They hate some of our policies and so if those
20 policies could change, or if the good parts of the policies turn out to be right and not the bad
21 part that will have a great deal of effect.

22 All right, I've suggested two things in particular, we've already brought up Muhammad
23 and Muhammadiyah here a couple of times. Indonesia is blessed in civil society terms in
24 having these two huge Muslim organizations, both of which are opposed to Shari'a in the
25 narrow sense in which we have been talking about it here. But both of which are very
26 Muslim and very rooted in their societies.

27 I've just been involved in an opinion poll in which nearly two out of five respondents
28 said that he or she has an affiliation with NU. This is amazing, this is a country of 200 million
29 Muslims and two out of five of them have some kind of connection with NU. I mean think
30 about the potential here for influence. Muhammadiyah is not nearly as influential an
31 organization but it's between a sixth and a fifth of the respondents have an affiliation with
32 Muhammadiyah. So civil society, Muslim civil society, a wonderful kind to work with is
33 already there. Now this is not news to people on the ground in Indonesia I think. But I just
34 want to make it up here in front so that we know that here is really an access of avenue to
35 Indonesian society that we need to pursue to the extent possible.

36 That's the first thing. The second -- and for my final point is maybe my answer to
37 Amy's pessimism about how we can influence the larger foreign policy issue. And that is if
38 the Bush administration does perform properly it would be very helpful to have Indonesians,
39 including the people from the justice party and so forth, to provide opportunities for them to
40 go to Iraq, or to go to other places, to go to Israel, we can get them to go to Israel, and look

1 at the progress that is taking place so that they come back and they report in the local
2 newspapers or report to their organizations and so forth on that progress.

3 I mean there is a way here for us to help the credibility improve as long as the U.S.
4 foreign policy does do what it says, then organizations like USAID can kind of facilitate
5 Indonesians -- and again these are credible Indonesians, and I want to come back to this. I
6 mean one of the reasons why there is an opinion in Indonesia about the U.S. is now better
7 than it was before the Bali bombing is because it wasn't the FBI that went over there and
8 solved the problem, it was General Pastika of the Indonesian police who solved the problem,
9 to put it a little too simply.

10 VOICE: With the help of the U.S. intelligence.

11 PROFESSOR LIDDLE: Oh, yes, but we don't talk about that, and also with the help
12 of the FBI, with the help of the Australians, and so forth. But the front people here are
13 Pastika and the police and this is the way in which the Indonesians understand this happened.
14 And this is very important about credibility.

15 Remember the Time magazine cover of -- what was his name, Umar Al Farouk, the
16 Indonesian contact Al Qaida. Indonesian Muslims did not believe it, they thought Time, this
17 is Christian/Jewish conspiracy, or whatever, and of course the CIA was talked about, that
18 was a CIA leak that produced that Time magazine story. Well, who believes in the CIA in
19 Indonesia, you know.

20 So if you have General Pastika who is doing it though then the credibility is just very
21 easy to get. And this is what we need to be doing, and this is why I say personal
22 involvement by Indonesians who have the kind of credibility, and this is one of your main
23 points.

24 MR. HAQQANI: Just one quick line here. And that is that unlike Indonesia where the
25 Indonesians trust General Pastika, General Pastika's Pakistani equivalent will be even less
26 trusted by Pakistan.

27 PROFESSOR LIDDLE: In a way this is the amazing thing about Indonesia, nobody
28 trusts the police in Indonesia either.

29 MR. HAQQANI: And there's a major problem there. And it's assumed that they
30 receive the same apparatus, and the reason is of course in the last two years Indonesia has
31 opened up a little, and civil society is kind of vibrant, and Pakistan on the other hand is
32 moving in the opposite direction because what is happening is -- under General Musharaf, is
33 let's try and find new language to describe our old authoritarian practices, instead of truly
34 opening up society.

35 So therefore the mistrust of the interservices intelligence, et cetera, is very deep rooted
36 in Pakistan.

37 PROFESSOR LIDDLE: It is true, the direction is the other way.

38 MR. HAQQANI: Because the military has rigged elections, controlled the process,
39 and continues to control. And right now what they are trying to do is control the process

1 even after they have installed a civilian regime, superficially at least. So the problem
2 becomes more aggravating.

3 PROFESSOR AHMED: I'd like to make a comment on killing. Two weeks back the
4 State Department had invited the Pulimi (phonetic) in. These were orthodox Muslim leaders
5 from India, and the Israeli were orthodox. In fact when they came to American University I
6 was asked by the State Department to talk to them, give a lecture. They requested me to
7 speak in Urdu, they couldn't understand English. So you know they are that orthodox. And
8 I made it worse because I said I'd been invited to the Seder at the Washington Hebrew
9 Congregation and I'd like you to come along with me, and some of them muttered under
10 their beards because, you know, going into a Synagogue this was the first time -- but they
11 did, they came with me and the Rabbi gave us a wonderful welcome.

12 The point I'm making here, these are the traditional groups that have been ignored.
13 Now I was getting feedback because the lady attached to this group, Ashi -- from Pakistan,
14 and she -- in fact yesterday I was in dialogue with Professor Jacktenburg (phonetic) at
15 George Washington University and she came in and told me I just got back from a two,
16 three week tour of America with this group. So I was fascinated, I said how did it go? And
17 she said some did mutter that at the Sedar, you know, they were actually brought in and
18 there was wine being served, but they were reminded that this is not Mosque, this is a
19 Synagogue, but they were very warmly responding to how they were welcomed.

20 Now this is where the USAID can and has played a role, training. I was head of the
21 National Center for Rural Development in Islamabad, this was the first major rural
22 development center in Islamabad, and I was the founder Director General of the center in the
23 '80s. And we were starting from scratch. We started courses, and in these courses very
24 specifically I got in the district administration, I got in the local government officials, I got in
25 the politicians, and I got the whole ring, so I got the head of the head of the -- Islam,
26 Professor Hoshidem (phonetic), Husain came several times to the center. And what I saw
27 was initially skepticism, you know, what is a training institute, it's USAID, CIA, KGB,
28 everything is thrown at the institute. But over a three or four week intensive training period at
29 the end of it the attitudes have changed.

30 So over two decades I've been seeing that this may be do-gooding, this may be seen as
31 something not really making any effect, but this does work. Training where you can get in
32 people who are running government at a certain level, district administrators, local
33 government officials, politicians, journalists, at a certain level of society. These have to be
34 engaged.

35 And I'm repeating this, bring them to Washington, or bring them to some place within
36 the country and have them repeat it again and again so that you are creating a body of
37 opinion within society that will be engaging in the debate that we're discussing about the
38 nature of moderate, quote, unquote, moderate Islam who are going to debating about the
39 Shari'a, who are debating about the place of Islam in the modern world.

1 But if you're not going to be doing that then you really are unleashing forces, and
2 allowing the debate to go into any direction, and very often in forms that are extreme and
3 forms that are controlled for the time being, then may erupt somewhere else, may erupt in a
4 violent form somewhere else. Because I again want to state that I am not entirely sanguine,
5 I'm not entirely complacent, I don't -- and I'm looking at it through the lens of law and order,
6 and here I would beg with respect to disagree with my friend, Professor Azis, that in the
7 division I was Commissioner and the USAID had their very important program, you may
8 recall in the 1980s, a very key project in Pakistan was Magrat (phonetic) they're spending
9 millions of dollars there.

10 Everything was law and order because if someone kidnapped an official, as they did
11 they kidnapped a World Bank official when I was Commissioner, when they kidnapped an
12 official everything froze. So no one wanted to talk of economics, and no one wanted to talk
13 rural development because your life was threatened because there was no law and order.

14 Now when you don't have law and order you're going to go in for these fits and starts.
15 In Afghanistan, in Pakistan -- and again this is a startling statistic -- President Musharaf has I
16 think had what, Husain, was then four or five attempts on his life.

17 MR. HAQQANI: Four.

18 PROFESSOR AHMED: Four attempts on his life. The acting Commander in Chief of
19 the Pakistan army, just think of the statement, he's the most powerful man in Pakistan, cannot
20 go out into the streets. In Kabul President Karzai I don't think he can step out of his palace.

21 How many attempts on his life? Four or five attempts on his life.

22 Now if this is the level of law and order you're in trouble. It has to be tackled, you
23 cannot avoid this, it's the first priority. And how do you tackle it is through training. That's
24 the only way you can tackle it because you can begin to influence how people are thinking,
25 it's going to be a long term, slow process. It may succeed, it may not, but without this
26 process I don't even know how we are to tackle the problem and solve it. It cannot be
27 quick answers, easy answers.

28 MR. BRESLAR: I think the discussions have been just tremendous, and we were just
29 talking briefly with one of our colleagues here who gave the panel a tremendous compliment,
30 it's not only are we looking at big picture issues and foreign policy, and even development
31 policy at one time, but I think he said the degree of specificity in terms of recommendations
32 and what we should be looking at is just extraordinary, and something that you don't always
33 get on these types of panels especially with think tanks and other things.

34 So we're very appreciative that it's -- we're both looking at policy and actually on-the-
35 ground cases in terms of what we can be thinking about.

36 I wanted to open it up now to others to see what else we can talk about. I know one of
37 the things in this particular session was looking at sectors and I know we talked about
38 education and other things, you know, maybe we could even get more specific at some point
39 if people want to. Professor Ahmed mentioned training. You know, the nuts and bolts of
40 what we can do in these very difficult situations, it's obviously hard for us to grapple with

1 foreign policy, we're always hoping that the policy environment would be conducive to what
2 AID does.

3 AID prides itself, very much so, over the last 40 years of working out a policy as well
4 as a program and project level, particularly when we look at sectors. It's nothing we want to
5 give up on.

6 I know you mentioned we can only work at the margins some places, but if that's what
7 we're relegated to right now what are those margins that we might be able to chip away at.
8 And certainly civil society has become a big theme as well. For many of us who have
9 worked in either conflict or post-conflict settings civil society, inroads are often the best and
10 the most participatory and inclusive way to go. You've got to be very careful on which
11 groups you're working with, but it can be something that can be quite effective.

12 So let me just open it up. Our panelists are here to speak but I know our audience
13 might have some things as well.

14 I'm going to take it to new faces. Woody, you haven't had a chance to comment yet.

15 WOODY: Yeah, AID of course operates at a country level. In Indonesia we have had
16 a very large presence for 30, 40 years. Pakistan we've been in and out and in and out and
17 our staff size is quite small and hopefully this situation will in (inaudible).

18 But AID also operates on a global level, we have programs that address global
19 concerns. And I'm wondering -- and I seek the panelists reaction to the possibility of how
20 one influences, and again I mean on the topic of promoting a moderate thought in the Islamic
21 world -- all that large.

22 Is there a way that we can promote -- there's a discussion within Islam, you've got
23 Wahabbism and you've got a number of different strands of Islam. Is there a way that the
24 U.S. government with light footprints, fingerprints, can promote that discussion which does
25 need to -- which will be ongoing, there will never be a permanent resolution to it, but for the
26 moment the malice followed the money, and the money is coming from Iraq and Iran,
27 building schools through Africa, and with a doctrine and textbooks that promote a radical
28 form of Islam.

29 The moderate voices -- we heard one of the panelists say the moderates do not have
30 the kind of financial and other support, I think Amy mentioned it, does not have the support.

31 Is there a way the U.S. government can encourage, foster, the dialogue within Islam so that
32 there's a central ground, so there's a central message coming out of Islam. I don't know
33 whether it's U.S. based Islamic groups, whether it's a broader force.

34 I'd like to hear comment on that.

35 VOICE: I thought he was going to steal my idea, which he almost has. But just to add
36 to it a little bit, and more specifically.

37 Are there -- if you think internationally rather than country specifically, are there regional
38 networks, are there international networks, is there the skeleton for this, you know, the
39 skeletons of networks internationally that AID should be looking at to provide the linkages
40 and the support among and between moderate, liberal groups in the Muslim world.

1 You know, we all talk about NU and Muhammadiyah, you know, how do they plug in,
2 are people coming to better understanding the needs you know, we think about what we
3 need to do in Indonesia, but should we be supporting the efforts to bring other groups to
4 Indonesia to learn more, I mean so the whole -- so it's a more global dimension to this.

5 MS. BUTLER: Two things to follow on to that same question, which is just a little more
6 specifically what if anything could be the role of Muslims in the United States in building these
7 linkages.

8 We had a false step in that direction with the USAID/ECA efforts to promote media
9 messages and they basically were pulled back from that. But has that in any way
10 undermined the ability of Muslims in America to be able to play a role in this international
11 moderation.

12 MS. BROWN: I want to go back to Ambassador Haqqani's description of a tolerance
13 or idea of a tolerance education program, I think that's really intriguing. And I'm thinking
14 more at the country level rather than the international level. But also taking into consideration
15 some of the cautionary notes that we heard from others. Just a couple questions specific to
16 this education program idea.

17 One, how can we support these tolerant individuals and networks without perverting the
18 process, without creating the suitcase NGO mentality that you had warned against?

19 Second, should we link our support -- or should we -- I use this word loosely, publicize
20 our support of these networks, or by doing so will it make them illegitimate in the eyes of
21 others? I mean to what -- but at the same time we want to -- certainly that's what this panel
22 is about -- demonstrate that we support moderation and tolerance.

23 And lastly, do you see ways -- maybe you can talk about Pakistan in particular -- that
24 such an effort could link to the political process and to political reform, and if so how. And if
25 the idea resonates in Indonesia it would be interesting to hear your thoughts on that context
26 as well.

27 MR. BRESLAR: We've got two sets of questions here, but go ahead.

28 MS. PHILLIPS: I have -- well actually the question about civil society was already
29 asked, but I just wanted to ask Amy that since you mentioned that authoritarian leaders have
30 promoted development in other parts of the world, but you see no sign of this in the Middle
31 East for example, that authoritarian secular leaders have not been doing this.

32 But do we see a new generation of leaders? You're the expert in the region, but if I
33 think of what King Abdullah in Jordan is promoting economic reform and development, the
34 Crown Prince in Saudi Arabia, even Bashar Assad is talking about economic reforms. I
35 mean is there something going on there, or is this just a facade, you think of Qatar and
36 Bahrain, are there things that we need to be attentive to that are going on in terms of
37 modernization and development, and we need to be careful not to undercut something that
38 may have internal legitimacy?

39 PROFESSOR LIDDLE: Okay, let me respond a little bit to some of the moderate
40 theology and education kinds of questions.

1 I think that there is a pretty good history of U.S. government and USAID in particular
2 relations with moderate Muslims in Indonesia who are trying to create -- let's call it a liberal
3 theology. And there is a pretty substantial group now, substantial in an intellectual weight
4 more than numbers maybe, but that calls themselves liberal Islam, Islam Liberale, and they
5 have a website and very active mail list and other publications and so forth.

6 And they have progenitors, and NU was one of the major foundations of that going
7 back to the '60s and Abdurrachman Wahib when he was the leader of NU in the '70s. And
8 so, you know, there's been lots of discussion back and forth about what can we do, and all
9 of these issues that you raise, how do we provide cover so that this doesn't look like U.S.
10 puppets and things like that.

11 I think that the Asia Foundation are maybe good people to talk to on this issue in terms
12 of how you might do it in other places because the Asia Foundation has, I think -- and it's
13 USAID money mostly, but it's the Asia Foundation that has mostly developed this dialogue
14 with Indonesian Muslims, many of them in NU but not entirely, trying to develop theological
15 debates among Indonesians themselves.

16 But of course the Islamists, and especially the most right wing Islamists, they do raise
17 questions about this, they do say that in the end these are all puppets of the U.S. and so
18 forth. But so far those arguments have not had a great deal of weight as far as I can see.
19 The liberals seem to be able to hold their own, not least because they have their own roots.
20 The most prominent of them today, Ullu Abshar Abdullah, his father is -- or his father in law
21 is a prominent Kiyai Ulama in NU, and so forth. So they're not coming at this out of
22 nowhere, you know, they're not secularists pretending to be Muslims or whatever.

23 But anyway I think inner Asia provides a good history of this, it's a place where they
24 keep asking the question all the time, and they're never totally satisfied with the answers. But
25 I think it can serve as a model of these programs.

26 PROFESSOR AHMED: I came to Cambridge to hold the Pakistan chair in 1988, and
27 within the year the Salman Rushdi crisis erupted and I was forced into asking myself, for
28 myself, the questions is Islam compatible with democracy. Is the Koran something that
29 encourages violence, what does Islam say about women. And you recognize these questions
30 because these are now being asked after September 11th by the whole world.

31 Now in answer to these questions I began to look at the landscape, and therefore
32 plunged into something called living Islam, which was a series of television documentaries
33 based upon something I had written called "Discovering Islam." After this was an attempt to
34 rediscover a moderate Muslim -- and that's what led me to Jinnah.

35 I'm pointing all this out because it has a relevance. For me the debate rested on how
36 are we to interpret as Muslims living in the 20th century then and now the 21st century as
37 part of the world community, and yet as Muslims.

38 And I began to find that the answers led to the failure of Muslim political leadership.
39 And if you define Muslim political leadership in terms of categories then at the opposite ends

1 of the spectrum you will have a Jinnah and you may love him, you may hate him, but he
2 represents democracy; and at the other end of the spectrum you have Osama Bin Laden.

3 Now I wrote a paper, an academic paper, for history today about five years ago on this
4 model, and the editor was very intrigued, he rang up and he said but why Osama, who is
5 Osama, we never heard of him, you know, this is obscure figure. And I said you will be
6 hearing a lot about Osama because theoretically, conceptually, this is the man who's
7 opposed to Jinnah, and the answer to Osama is Jinnah.

8 Now this was confirmed for me, and an academic is always excited to see his theories
9 being proved right in the field, they often are proved so dramatically wrong, I discovered that
10 Khilafah, this is the magazine printed by the -- who now call themselves the Majoroon
11 (phonetic), who in turn are the main spokesman for Osama Bin Laden. So I'm trying to
12 point out all the connections trying to tie up all the loose knots.

13 That the Khilafah had a special issue attacking who? Not the American president, not
14 Jinnah, Tish has got it right as usual -- the reason being because they understood why, unlike
15 a lot of these so-called experts, and I don't want to be unkind to the experts, but unlike the
16 experts they knew who the enemy was. They can take on USAID, they can take on the
17 bombing, in fact that increases their popularity, they cannot take on Jinnah within society.

18 So the Khilafah magazine now has a full issue, and I was very intrigued because I was
19 by now fully involved in the Jinnah project, so in a sense I was speaking on behalf of Jinnah
20 and being attacked and being vilified in the press as a tremendous smear campaign going on
21 to stop this Jinnah project.

22 This is what they said, Jinnah represents democracy, we're back to Islam and
23 democracy. Jinnah represents women's rights, he brought women to the front, Jinnah
24 represents minority rights, he believed in giving rights to Hindus specifically. This was a
25 charge against him. Therefore Jinnah is a kafir, a kafir as you know in Islam is he's outside
26 the pale, he's not even a Muslim.

27 All this becomes relevant, and this is the point, we are debating on one level of
28 discourse which we are aware of. What we are missing very often, and the experts miss, is
29 the subterranean debate that is taking place in the Muslim world even as we speak, which
30 we are not even aware of.

31 The Majoroon representing Osama Bin Laden after September -- this is the group that
32 actually declared in public it is headed by Mr. Buckley, who declared that I'm sending troops
33 to fight alongside the Taliban against Americans. This is in the UK.

34 Buckley is a very well known figure in the UK, so here we have a live debate which is
35 not just theoretical. All right, what do we do about it? My answer was to continue to
36 explore moderate Islam through Islamic history and through Islamic culture, and to continue
37 to hold this position.

38 What can you do about it? The United States has to understand the subterranean
39 debate, recognize it exists, and then support those elements within society which are trying to
40 promote this modern Islam.

1 Another example, President Bush taking one of many initiatives in which he's reaching
2 out to the Muslim community invited some Muslim leaders for dinner for the opening of the
3 fast in November. I was very privileged, I was on his table. Now this was for me a great
4 moment because he actually reached out and talked about Islam as an Abrahamic faith with
5 a very significant statement that he made, that he reached out to the Muslim community, and
6 I lauded him for it, I appreciated what he was doing. But what people don't know is that
7 very shortly afterwards the same group had an email that circulated in the world, Muslim
8 world, which said -- this is the headline "Uncle Toms dine with Uncle Sam."

9 Now the argument was simply this that these people are so loud, they have gone to the
10 White House, they have been thrilled and seduced, and so on. This is not a new debate, it
11 was said exactly the same of Jinnah, and this now leads me to the judicious point about -- for
12 two years I have been arguing that this is America's most powerful asset in the war on terror,
13 in the relations with the Muslim world. What has the United States done with the Muslims
14 by abusing the prophet, by abusing Islam, by the media creating Muslim to terror to
15 extremist. We have alienated, we have marginalized and we have created uncertainty in the
16 American Muslim community, and I hope you will allow me to speak very frankly because
17 this is such an important issue that there is no other way that we can address it except very
18 frankly, because we need to try to bring things back onto the real, so that we try to help the
19 situation and encourage this dialogue.

20 The Muslim community could have been I think the most powerful bridge. You should
21 have had Muslim -- Muslim, south Asian out there in public visibly talking about America.
22 Unfortunately when you had that initiative taken by the public diplomacy thing when you had
23 the documentary, when you had Muslims standing in front of a camera saying how wonderful
24 it was to live in America, what a wonderful society, how everyone loved it, it was as effective
25 and as truthful as Muslims on September 12th appearing in the media saying Islam is peace,
26 Islam loves everyone when they just killed 3000 people. No one believed them.

27 Similarly no one believed these people standing up in front of the camera saying
28 everyone loves us, we love everyone, but that was not the reality. And it was not being seen
29 as the reality by the Muslim world.

30 So the Muslims of America have to be co-opted onto this, they're experts here, they're
31 scholars here, they're experts on the Shari'a, experts in Islam, and above all these are loyal
32 Americans who believe in America and the American citizen, that is why they're here.

33 They are at this moment in time switched off, they're like a car, they're not even idling,
34 the engine is not even idling, it's switched off, and that's a very dangerous situation. Again, I
35 don't want to talk in regions but if these young men are tapped they could be persuaded to
36 be doing violent things in the United States of America because at this moment it is a fearful
37 community, its back is up against the wall. And to top it all, the icing on the cake, you had
38 the registration process where every Muslim then began to feel that America is on the
39 warpath against Islam. And the impact of that in the Muslim world was, and again let's try to
40 connect the dots, when the elections came in Pakistan and we heard about this, that the

1 religious parties never got more than six or seven seats in parliament. This time they had
2 tenfold the number. And the religious parties were actually saying this, they were actually
3 saying vote for us, we are going to fight America.

4 America is destroying our culture, destroying Islam, it's on a warpath against islam. So
5 vote for us. And the people of Pakistan voted for them.

6 This is at a time when the government is pro-American, when the government is solidly
7 in the American camp. So we need to be understanding how to deal with this very important
8 issue of the American Muslims and then encouraging them to have dialogue on behalf of
9 America, as ambassadors, with the Muslim world.

10 Tony Blair has given us a lead. Tony Blair has at this moment in time eight members,
11 Muslim members, in the House of Lords and the House of Commons. Now this is a
12 tremendous initiative, very risky initiative he took. But he took that. So now when there's a
13 crisis with the Muslim world he sends a member of the House of Lords, who's a Muslim, to
14 the Muslim world.

15 Khadaffi is a very difficult customer to deal with, and yet you had Lord Nezela Ahmed
16 a friend of mine from the House of Lords, going to Khadalfi and saying I'm here as a
17 brother Muslim, I need to open up the British embassy. Now Khadaffi could not treat him
18 as he would treat an Englishman. So you had the strange site of Lord Nezela Ahmed
19 hoisting the Union Jack in Libya. I mean, you know, this is surreal, but it was happening.

20 Why can't the United States of America take initiatives like that. Again, my argument,
21 shift to culture. We all know the might and the power of the super power, but let's also see
22 the intelligence and the skill and the sensitivity which comes with using culture as a weapon in
23 this dialogue.

24 MR. HAQQANI: I have actually focused a lot on this whole notion of what can be
25 done to try and support the forces that are closer to you in views in the civil war of ideas of
26 the Islamic world. And those that are interested, there are a couple of articles of mine I'd
27 quite happily email those to you.

28 I think that there are three or four things that can be done. First of all there is a notion
29 of liberal Islamic theology, a moderate Islam, and how we distinguish the two is that one
30 basically focuses on the political, which says that, you know, Islam has to establish political
31 power to be relevant.

32 The other emphasizes the spiritual nature of the message and says look, you know, it's
33 not about -- now the political part of it will always create problems because they need to be
34 exclusive and be able to also create you as a rival -- so if you're the only super power in the
35 world and somebody says well, you know, their super power status is illegitimate because
36 they're trying to be God, and since we worship one God therefore we have to first demolish
37 these guys before we can establish the worship of one God.

38 And that's the ideological paradigm.

39 So therefore those who believe in the spiritual, cultural, personal, purity and purification
40 message however conservative they might be in their personal conduct I don't think that a

1 person's moderation or otherwise should be measured by whether his wife wears the Hajub
2 or not. I don't think that -- and I think that is a trap people keep falling into again and again.
3 I don't think a Muslim's moderation should be measured by whether he's willing to share a
4 drink with you in the evening or not, which happens all the time. I've seen it underground,
5 you know, people virtually saying -- even from -- right now very interesting he said
6 something about these clerics who came and said, I don't know if anybody noticed, he said
7 they didn't even know English that's how orthodox they were. Well theoretically you can
8 actually not know the language and still not be orthodox, but I mean it's just how the idiom
9 kind of has taken us over, you see.

10 The westernized person is the martyred, and the non-westernized is not. As somebody
11 who has gone through both streams of education, the Madrassahs education as well as
12 western education sufficiently to be able to talk to all of you in English. I can tell you that is
13 really the divide in the Muslim world. A small segment of westernized elite who feel that you
14 are their natural ally, and the only way they can hold onto power is by telling you that there is
15 these holds of illiterate, uneducated, unwashed, dirty, God fearing, five times praying guys,
16 you know, who are a threat to you. And don't fall for that.

17 How do you rate that. Okay? First help foster networks of Muslim orders. The
18 extremists have networks, I can give you 20 websites you can go to them, some of them are
19 extremely modern websites. And so what you need to do is help, and this is somewhere
20 where you can develop programs. I have no experience of, or knowledge of, designing,
21 implementation, and all of that, all my life having done sort of, you know, politics or analysis,
22 but that is something you people can do better at how to design it. But networks of
23 moderate Muslims need to be fostered.

24 And the reason why I say that Indonesia is one place where a lot of work has been
25 done, the Asia Foundation, I know for a fact that Ford Foundation funded -- at one time.
26 Nothing has been replicated of that nature anywhere else. Everywhere else funding has gone
27 to so-called secularizers, the suitcase NGOs that I have spoken about who do not have
28 infected their societies.

29 So maybe what needs to be done is Indonesians experiment, and experience taken up,
30 replicated in Pakistan, Bangladesh, possibly a couple of Arab countries, religion based
31 Islamic organizations. There is a notion of human rights in Islam as well.

32 Now what happens is, you know, for example running a program in Pakistan about gay
33 rights is not the way to immediately win the support of the Islamics, you know. But talking
34 about broader issues, you know, that are -- and developing an Islam-based notion of human
35 rights. And allowing some people to do that, that is something that can be considered.

36 So the network is one, specific programs which involve the religiously inclined as
37 opposed to the totally irreligious, because there are people, you know, with beards and
38 castes, and yet -- spitting in one of your programs then you are actually breaking down that
39 strong barrier between Islamic versus the secularist as secularist. It's very interesting that in
40 Urdu the word that is used for secular is "ladi" which basically means one who has given up

1 religion. Which is not my definition of secular. I'm secular but I go to Mosque, you see. My
2 definition of secular is you don't want religion running the state, period.

3 And so I think that needs to be worked on.

4 Second, there are political movements in the Muslim world that are trying to define
5 Islamic democracy. And there's a whole body of literature on it amongst the Islamists
6 particularly, because they have debated this for 80 years. Said Abdul Alamodudi who was
7 one of foremost scholars of political Islam said well Islamic, truly Islams political system is
8 tier democracy, it's a democracy guided by theological principles, meaning that your power
9 to legislate as the people stops where the Koran has a specific injunction.

10 But I guess that is something that some of the evangelical christian groups here would
11 say, that you know, Congress shouldn't -- yes, it's a democracy, yes, it's everything, but
12 Congress should by virtue of their faith in God stop themselves from legislating in areas
13 where the bible has something to say. That's not necessarily something at this early stage of
14 evolutional democracies and moderation in the Muslim world we want to take head on.
15 Maybe that is something that we need to incorporate.

16 And so one of the other things that may be done is there is already, just as there is a
17 liberal international and a socialist international there is virtually an Islamist international.
18 What we need to do perhaps is look at the possibility of encouraging an Islamic democratic
19 international.

20 Political parties, so that is part of the Muslim world that espouse a more democratic,
21 benign, and moderate version of politics and religion.

22 There is a need for -- if you go to a book shop in Pakistan, and I recommend that
23 those of you who visit Pakistan next time spend some time in the Urdu segment, not in the
24 English segment. You must remember that now in Pakistan the way education has gone after
25 independence the day of the English-speaking elite has really passed. The total newspaper
26 circulation in Pakistan in English accounts for seven percent of total newspaper readership.
27 But they're such nicely produced English-language newspapers that the temptation to think
28 that they are forming opinion is great. But the fact is only seven percent of those who read
29 newspapers read the English newspapers.

30 So the book shops, if you go -- in the vernacular you just do not have any literature on,
31 for example, your own great ideas so to speak. When I was trying to learn English I used to
32 go to the U.S. library in Karachi, kids of that age now cannot, but I used to read the New
33 York Times in my effort to try and learn the English language. Of course some of you will
34 probably say that's good enough reason not to do that because we don't want somebody
35 coming 20 years later and speaking ad nauseam in English to us.

36 So I read the New York Times, and I read the Declaration of Independence and I read
37 the Constitution, and I read dozens of things and all that, kind of according to my overall mix
38 of somewhere.

39 Well one of the things that you may consider is a great books project for the Muslim
40 world in native languages, where in USAID funds -- because right now the only idea of

1 America people have is through Hollywood, and all you have is, you know, oh, God, these,
2 you know, -- I mean the average person's thing is that America is represented by some gun-
3 toting, crazy, some guy who takes off the skin of women he rapes, you know, that kind of
4 image.

5 And so basically you need to counter that with ideas, that you know America is about a
6 bigger idea. That idea shouldn't only featured in President Bush's speeches every now and
7 then, it should probably be something that is accessible in native languages. So journals,
8 books. Journals is another option. Right now there are publications that are used, for
9 example, Professor Ahadul Eriche (phonetic) pointed out, his -- of course is a global
10 movement, the one in England is just one part of Britain, and then the one that has broken
11 away from it is El Mohajaroon (phonetic) which is different, and El Mohajaroon is really
12 extreme, but they have a very good journal. And Khilafah is a very readable magazine. And
13 there is nothing to compete with that in the Muslim world.

14 PROFESSOR LIDDLE: In Arabic.

15 MR. HAQQANI: In Arabic or any other language. I mean --

16 PROFESSOR LIDDLE: No, I mean the Hisbatapha (phonetic) is in Arabic?

17 MR. HAQQANI: Hibatapha magazine is actually in seven languages, it's also in Bahasa
18 now because -- now has -- because -- is his global movement and we have a different
19 discussion some other time, but he basically wants to restore the Khilafah. So it actually has
20 chapters in every Muslim country, and is legal in Europe.

21 PROFESSOR LIDDLE: And in the United States?

22 MR. HAQQANI: And in the United States, and they have this wonderful website, it's
23 Khilafah, K-H-I-L-A-F-A-H, dot com. When you go there you'll find whichever language
24 you want to read it, Uzbek, Russian, Indonesian, Malay, whatever.

25 VOICE: What does Khilafah mean?

26 MR. HAQQANI: Khilafah means the Islamic Caliph, because the whole notion of the
27 movement is that Muslims are, by their religion, prohibited from living in nation states, which
28 brings them into confrontation with you because you are imposing a nation state system on an
29 Umma that should actually take over the whole world and run it as the Kingdom of God,
30 theological argument.

31 Okay, now the last point I would like to make -- oh, yes the tolerance education
32 program. I think, again as I said, designing and implementation and I would be really happy
33 to talk with people who have experience of that and get into that, but I think what needs to
34 be done, again, is to reach out to people who consider themselves believers but who do not
35 think that their belief dictates them to blow up anybody. And then maybe that can be a
36 series of -- I don't know how, workshops, seminars, et cetera, but enroll them.

37 And as far as having your name are they disconcerted? Yes, I mean there's no harm in
38 saying that it's because you don't to be secretive, because that could create new problems.
39 But you don't have to, like, you know, you don't really have to have it sort of, you know,
40 you don't have to hammer it in.

1 I mean there's that famous Karlsberg ad, and of course as a teetotaling Muslim I'm
2 quoting a Karlsberg beer ad as an example but there's that famous ad they used to have in
3 which the entire ad was a glass of beer filling up from the bottom up, nothing being said,
4 nothing -- and at the end of it said, when you make a great beer you don't have to make a
5 great fuss, Karlsberg. And that was it, it was one of the most successful ads in Europe. And
6 that's what my comment was on -- ads, you know, that those were ads about trying to
7 encourage people to immigrate to the United States, it's a great country to live in, you know.
8 (Laughter)

9 MR. HAQQANI: The issue is not that, but the guy in Iraq and the guy in Afghanistan
10 and the guy in Pakistan is not angry with the United States because the guy in the United
11 States are not having a good life, or they can't make it, they're upset because they think
12 they're not having it good, and that's partly because a certain policy in the United States.

13 So I think I've given about six ideas out here, and I think that the training that Dr.
14 Ahmed mentioned was very important, but I would add something to it. In many parts of the
15 Muslim world the state is weaker than it was before, Pakistan being one of them. When the
16 state is weak then the training only of people connected to the state, be they civil servant or
17 police officers or the military, does not really address the whole process of social chaos. So
18 maybe some of the training programs will also have to be for theologians, for college
19 professors, how to foster. For example one of the reasons I say that is that the Mullah in
20 Pakistan does not have the same social status as the Pastor in your society. He is usually
21 looked down upon, especially by the westernized elite.

22 And now there's 1.2 million kids in Pakistan attending Mothersiz, all of whom are going
23 to end up qualifying to become new Mullahs. There's a Mosque on average, for ever 1400
24 people there's a Mosque. So there you need a Mosque leader.

25 What you need is for the Mosque leaders to feel comfortable sitting across the table
26 with you so that they do not hate you just because they do not know you, you know. And
27 so maybe that is because every time -- so some of these training programs may have to
28 expand and extend to other segments of society rather than just great idea training civil
29 servants, but then you do not want to just create -- I don't know, I'm sure if you're familiar
30 with Lord McCulley's minute which is cited by every Islamist in Pakistan. Lord McCulley's
31 minute was we will train these people and educate them in English and create a cadre of
32 brown sahibs who will be able to run this society after we -- long after we are gone.

33 Well part of this whole Islamist revival is against the brown sahibs, so you have to bring
34 in the people who may be educated, et cetera, but still resent the brown sahib mentality and
35 perhaps include them into the training programs that you have, especially for places like
36 Pakistan.

37 And I'd be very happy to talk to any of you on the specifics because I don't want to
38 hold everybody here on these ideas. But I think there's enough ideas there to have a little
39 discussion going.

40 PROFESSOR LIDDLE: Much less sharp in Indonesia this brown sahib mentality thing.

1 PROFESSOR AHMED: And I think also change very much. It's slightly dated this
2 whole brown sahib thing, it's like a Musharaf emergence. This was very true, in fact we all
3 wrote about it, the McCulley phenomenon, but after Musharaf what you're in fact seeing is
4 precisely that Musharaf is not your westernized sandhills trained officer, in fact he's very
5 much in the Urdu tradition. He's from the -- in fact that is one of the changes being created
6 within these old structures.

7 So that period valid I would say to the '70s, even '80s, is now no longer --

8 MR. HAQQANI: You must remember Musharaf neither reads Urdu no speaks
9 coherent Urdu.

10 PROFESSOR AHMED: -- speaks coherent English or reads --

11 MS. HAWTHORNE: I wanted to take a slightly different perspective than my
12 colleagues just for the sake of stirring up some controversy on the question of moderate
13 Islamists and how the U.S., or specifically USAID, should engage with them.

14 This is very context specific and I am just bringing my own knowledge from the Middle
15 East, and it may be completely different in many other parts of the Islamic world.

16 I actually don't think this is something USAID should engage in directly. I think this is a
17 very complex, very politically sensitive debate, that as my colleagues have said, has been
18 going on in these countries for a long time.

19 A key theme in this debate is relationship of individuals and their societies to the west.
20 The negative perception of the United States, and debates about the ills of U.S. policy
21 figures very large. I think there are a number of ways in which USAID attempts to engage
22 on these issues really backfire, and I think it's something we don't really understand. It's very
23 -- dealing with religion is something that's very difficult for a development agency to address
24 frontally in my view.

25 Secondly there's also the possibility that engaging too frontally on this issue has the
26 opposite effect of diminishing the internal, or the domestic, credibility of the very people
27 whom the U.S. would like to bolster. I think that's a very real possibility in many countries in
28 this context.

29 And I take what Professor Ahmed said to heart earlier that the situation can change. So
30 what I'm saying now may not be the case five years from now, let's hope.

31 But I think at this point in time it would be very dangerous for the U.S., because of the
32 suspicion with which the U.S. is viewed on the issue of Islam. I think there are ways though
33 if we think about sort of strategically trying to get at these issues in different ways. There's
34 ways of trying to promote or encourage certain values, or the opening of political space, in
35 which people who have moderate views could have their voices be heard more broadly.

36 And let me just mention a couple of ways using the example of Egypt as a way that this
37 could be achieved in an indirect basis. And this is still definitely risky, but in Egypt -- this is
38 just one tiny sliver of a much more complex issue, but there is a political party, it's not
39 formally recognized as a political party, but it's still a Wasa (phonetic) party, and it's generally

1 recognized to represent a more moderate and tolerant view on many key issues than the
2 Muslim brotherhood.

3 This party has not been recognized by the Egyptian government and so it doesn't
4 operate legally. The environment for any political party in Egypt is incredibly repressive and
5 difficult, but were USAID to develop a very creative political party development strategy
6 that didn't focus directly on Wasa but focused on the themes of the legalization of new
7 political parties, how political parties operate. If that work were successful it would be to
8 the benefit of this party which would have other kinds of ricochet effects. So this is not a
9 direct strategy, it's an indirect strategy that's a bit risky but I think that would be much more
10 successful.

11 Secondly, there's the whole idea of independent media. I think this is incredibly
12 important because if you looked at the resources that moderates and people who espouse a
13 more tolerant or liberal version of Islam had to reach people in their own societies as
14 compared to people who control, either government controlled Mosques who often
15 represent sort of a very mainstream version, not a changing version, of Islam, or extremists.
16 These people who have a different voice really lack resources.

17 And independent media I think is a very critical way of helping people expand their own
18 message within their own society.

19 So I think my recommendation, just to underscore it, is don't address this issue directly,
20 there's too much room for confusion.

21 And secondly, on the issue of how high the profile of the U.S. should be in AID work I
22 would just point to what I think at least in the Middle East there's a great deal of ambivalence
23 about the U.S. role, and this gets to the question again of credibility.

24 I was very struck on the day that Colin Powell, Secretary Powell, announced the
25 Middle East partnership initiative. The reaction for the media within the Arab world
26 immediately came and it was very negative, as you know. The first reaction was we don't
27 want the U.S. telling us what to do, we don't want the U.S. imposing democracy on us, or
28 economic reform or education, this is none of your business, stay out.

29 Then a second later from the same mouths the same voices were saying this is insulting
30 that you're only giving 29 million dollars for this. But that reflects I think -- I think there's an
31 ambivalence there that's also in some ways reflected by some of the voices that we heard
32 coming out of Iraq, which is we want the U.S. to go home, please stay and provide us
33 security.

34 There really is this ambivalence, not among all groups within these societies but there is
35 a segment of people who are very ambivalent. They want the U.S. -- they resent the U.S.
36 but they also want the U.S. to follow through on what it says it's going to do. And so in this
37 sense I think with this group of people there is room for a higher profile on the part of AID.
38 I think it's one of the challenges that AID faces is the security situation in so many of these
39 countries is so difficult that just at the time when U.S. officials of all kinds need to be getting

1 out and meeting with new and different kinds of people and societies people are under a very
2 serious security threat.

3 So it's very challenging. But I think as Husain said if the work that's being done is good
4 people do want the U.S. to take credit for it, and to say we're helping to support these
5 forces in society, we're supporting this process of change which you in this country are
6 doing, not to be too reticent about it.

7 And thirdly, on the question of leadership I think it's not so much a question of people in
8 the Middle East not promoting -- leaders not promoting development because we saw from
9 the period of independence of many Arab countries through maybe the '80s tremendous
10 strides in development indicators, particularly in the area of literacy, education, and in some
11 cases economic growth.

12 So there has been development. The problem is now it's sort of reached a point where
13 it's very difficult to catch up with other parts of the world.

14 And I think there really is a fundamental question of leadership in the Arab world. One
15 has to ask if there are leaders emerging who can make the kind of choices that will both
16 provide their societies with better futures, their decisions are not solely driven by a desire to
17 maintain themselves in power. And that really is the operating goal, whether it's somebody
18 like the King of Ukraine, or Bashar Assad the primary focus is to maintain their own
19 dynastic monopoly on power, and then secondarily development of their societies.

20 So I'm a little bit pessimistic on this front, and I definitely do not put Bashar Assad in the
21 reform category.

22 MR. BRESLAR: Your comments sparked an elbow from the Professor Ahmed, so --

23 PROFESSOR AHMED: I would like to really reemphasize the importance of this
24 initiative taken by the USAID. It really is extremely significant and needs all the support and
25 encouragement that we can bring to it.

26 Again I want to combine a theoretical approach and a practical one. My own
27 experience with the International Center for Rural Development in Islamabad, and now on
28 campus at American University, is that there will be a great deal of interest, there will be a
29 great deal of support, irrespective of whether USAID is supporting it or not supporting it,
30 that in the end there will be a series of courses and seminars which will make an impact.

31 And the point I've made, remembering that the participants have to be the Ulama, they
32 have to be scholars, students, opinion makers, journalists, so that we begin to engage with
33 society as a whole.

34 Let me give you two brief examples. I had run a course called The Dialogue of
35 Civilizations. Now I had Rabbi Ken Cohen come to talk to my students and these students
36 were entering this course not knowing

37 what to expect, and frankly I didn't know how to develop the course, but there was no
38 such course so we were just trying to innovate something. And he made a statement, he said
39 Judaism, Christianity, and Islam are like three sisters belonging to one faith. Sometimes these
40 sisters quarrel, sometimes they're friends, but basically it's the same tradition.

1 Then a Saudi scholar, a very renowned Saudi scholar based here in Washington, he
2 came to my class and he said I am a Jew, I am a Christian, I am a Muslim. It was a very
3 significant statement especially coming from a Saudi scholar. He may not have been able to
4 make it in Saudi Arabia with such ease as he made it in the class, nonetheless this now
5 started a process of discussion.

6 And then I had an Ayatollah, an actual Ayatollah. Now think of it, there are very few
7 Ayatollahs in the world, maybe 30, 40 in the whole world, so I had an Ayatollah for three
8 hours and they had asked me, wants to call on me, so I said he is welcome to call on me but
9 I'd rather have him talking to my students. So they finally agreed.

10 Now when you have an Ayatollah for three hours with these young American kids who
11 are 18, 19, 20, who have no idea what an Ayatollah is, and he came in his robes and the
12 beard looking very Ayatollahish. And the discussion, and as an anthropologist I always see
13 the attraction of the speaker, and Kay will understand what I'm saying as an anthropologist,
14 observing the observers, and here we had the Ayatollah at first very formal because he's not
15 used to kids asking him these penetrating questions because they have a great status in their
16 society, and the kids increasingly, like they are aggressive, frank, with their questions.

17 And by the end of it what I saw was a tremendous toying on both side, and the
18 Ayatollah was actually saying -- and this was about six months back -- we want to reach
19 out, we want to be friends. The Taliban are the bad guys, they are the extremists giving us a
20 bad name, but we want to live in this world and live as good neighbors and good friends.

21 So my point is that I'm giving you three very different examples where barriers, ethnic
22 barriers, religious barriers, sectarian barriers are being broken.

23 Now you are asking how can the USAID be involved. You can be involved, I'm giving
24 you practical models that have worked. You need to be able to plug into this and try to
25 make use of it. It has worked, it can work again. And at this time in history it is crucial that
26 it work and that it succeeds. There are many other initiatives and they all need to be explored,
27 but here's something practical, we have a campus, we have conducted these courses, we can
28 conduct them both here and in the Muslim world and they are natural institutes and centers
29 throughout the Muslim world, in Cairo, in Islamabad, in Delhi, which can be plugged into the
30 system.

31 PROFESSOR AZIS: I want to come back to the original questions that were given. It
32 simply shows that different countries have different experience and different situations.

33 I tend to agree with Amy. I don't think your party should go into these kind of things
34 because it can easily backfire. I can only imagine for example if USAID is supporting or
35 providing resources for Paramedina, this is the school of the -- who is really the potential
36 person and hopefully he is running for president for the next election. But I can imagine if
37 suppose the school that he's running got the support, financial support and other resources,
38 from the USAID. It can easily backfire, and that will kill tremendously the potential for a
39 strong, a good quality, leaders which the country needs badly at this moment. We need
40 strong leaders but also --

1 VOICE: In fact I think some of the organizations associated with Paramedina are in
2 fact supported, not by AID directly but by the Asia Foundation.

3 PROFESSOR AZIS: Yeah, the risk is pretty big. I mean I know the years that is
4 between some, including other smaller kind of liberal organizations like Islam Lit and so forth.
5 But, you know, on the one hand it can promote something that is possibly for the country,
6 but on the other hand I think the risk is bigger of being backfiring.

7 So I agree with Amy, I think USAID is better to concentrate on the social economic
8 sectors and issues rather than trying to do with this discussion among Muslim groups and so
9 forth, because in Indonesia the issue is not so much on relief, I personally do not believe that
10 there is, you know, a sharp distinctions in the societies in the world. Of course everybody
11 has different opinions.

12 But you know, when you are in the very bad situation economically and socially they
13 you tend to just take advantage of anything, including religions, and yet that is not really the
14 root of the cause. So this what I see is different countries have different experiences.

15 MR. BRESLAR: I think we're coming up on twenty after and I know we started earlier
16 today, and I hear the stomachs grumbling a little bit, so why don't we take one or two more
17 comments and then we're going to sum up.

18 VOICE: This is actually a comment less for a panelist and more for us. The big
19 question I think is not whether the USAID or the U.S. government should do this or not, but
20 actually whether it can do it right. Because if it can't do it right then I'd agree we shouldn't be
21 doing it. And if you look -- just take for a second the Asia Foundation example in
22 Indonesia. It probably is at the cutting edge, that's the only AID program I know of, there
23 may be others, but I mean you look at what has made this program a success. I mean there
24 are a couple elements I just jotted down.

25 And first the Foundation has been in Indonesia for decades, this isn't a plug for the
26 Foundation, but they've been in Indonesia for decades and what's significant about the
27 credibility and the legitimacy is they started working in this area before 9/11, before it
28 became a U.S. foreign policy issue per se. Their representative is a noted expert himself on
29 Islam in Asia, so highly knowledgeable expertise. And they've worked with most of them on
30 a range of other issues, human rights, women's issues, the elections in 1999, so again a
31 credibility with groups and expertise and a long-term engagement.

32 And absent those things it's probably -- it's hard to imagine another organization coming
33 into Indonesia for example, even with all the tolerance and what have you, and doing it.

34 So absent some of those elements we have to be asking ourselves in fact can we do it
35 right. And if we don't do it right then you come back to the huge risk of these things
36 backfiring.

37 VOICE: To piggyback onto what David said, fortunately I think that that precedent in
38 the Middle East or in the Arab world in particular is missing, and I think that Amy's
39 comments about dealing with it frontally but dealing with it indirectly via, say, political party
40 developments is probably the only realistic way to go even if there are risks there, and I

1 would point to the sort of precedents to Morocco where NDI I know -- I believe before the
2 last parliamentary elections -- did political party training and of course the justice party,
3 which is an Islamist party in Morocco, participated until the winning candidates were
4 targeted by that NDI initiative.

5 And so it has been done, it can be done. Of course circumstances from one country,
6 even within the Arab world, may differ. But I think that that's really the only way to get out
7 of the Middle East.

8 PROFESSOR LIDDLE: Good balance.

9 HAL: I was discussing during the break with several of the panelists the whole question
10 of education and training, information exchange, and we agreed that you really needed a
11 critical mass of people, that if you're for example you're going to work with a society that
12 you bring over enough, let's say, participant training, is the old term for the mid level, so that
13 when they went back again they were sufficiently spread around the government that they
14 had this critical mass that when they got together they could make changes, rather than
15 having one isolated here, another isolated there. And did not have that support, and then
16 reverted back to their old systems.

17 So I think if you make a commitment of some kind it has to be a rather significant, large
18 and long-term commitment to make the kind of change that may be some years hence.

19 MIKE: Just a sort of note on the idea of doing it right. First of all I don't think we have
20 the choice of do we do it or not. We have to do it. We've been tasked by the
21 administration. We have got to do this or we're irrelevant. Our administrator has said if we
22 do not get in the mainstream of U.S. foreign policy this agency will die.

23 This is a high-priority of the administration, so unfortunately we don't have the luxury of
24 saying can we or can we not do it right, and if we cannot we are not going to do it. We have
25 to do it.

26 So furthermore I think as far as getting it right goes just following on Hal's comment
27 about getting the critical mass, this is just once incidence of how we tried to get it right, and it
28 wasn't right. The Peace Fellowship Program followed the Camp David accords brought
29 literally thousands of Egyptian graduate students to the United States, not 1000 but about
30 10,000 I think. It was a multi, multi-million dollar program. Probably a hundred million
31 dollars. And Egypt is where it is today.

32 So getting it right is not something that we can know up front, we're going to be taking
33 chances, this is a high-risk business. And I think the best that we can do is not try to spin
34 and tilt. The people in the Muslim world are smart enough to know that what we do is we
35 pursue our national interests, what we do is not purely out of altruism, we want to promote
36 tolerance because it affects us positively. And I think our best response to the credibility gap
37 is to go out there and be consistent. And if there is a degree of incoherence in our policy -- I
38 would argue that it's not incoherent, it's just -- there's dissonance within our policy. We have
39 multiple national interests that compete with each other in not only foreign policy but in
40 national policy. And we should consistently say that this is not the only thing that we pursue

1 on our national policy, but this is a critical and important part of our national policy and we
2 should be consistent about promoting open societies.

3 VOICE: Let me try and wrap up here. With that said the panelists have been very very
4 helpful to us in pointing out ways that we can go about this. I mean that we do not do
5 another Iraq where one went in and we've got to change administrations and how we
6 approach it. We do need to learn and it's better to do it right the first time rather than to do
7 it wrong the first time. So, yes, we will do something, but let us do this with our eyes open
8 with the benefit of the collective wisdom of lots of people.

9 MR. BRESLAR: There's no good time to cut this off and I hope this is just going to be
10 one in a series of discussions that we have.

11 But why don't we take a few minutes, and I want to turn to Tom Johnson, who all of
12 you know is the motor, along with Tish, behind this entire effort, and if you would please sum
13 up for us as best as you can.

14 MR. JOHNSON: Oh, that's an impossible task. But let me just go through very
15 briefly, this won't take more than about seven minutes, just for the things that I thought were
16 the most salient.

17 And this is just going to be in the order that they were mentioned, and in some cases I'll
18 give attribution and in other cases I won't.

19 I thought Professor Ahmed's point that we need to look for Muslim models, and he uses
20 President Jinnah as one, and there are probably others. This is a search we need to take
21 seriously because that's the type of example that we need to work with and utilize.

22 I thought Professor Liddle's distinction between the means and ends in terms of
23 moderation was very very interesting, and ought to be very helpful to us. And I liked the
24 definition of focusing on the means and basically whether that's non-violent or not. And this
25 reminds me of the instance where I was promoting policy dialogue or analysis in a country
26 against our country's stated policy preferences and I got in a bit of hot water with the front
27 office. But, you know, we were promoting the process.

28 I thought it was interesting that Professor Azis mentioned on the one hand that one of
29 the strategies for promoting moderation was the decentralization, and yet he was also very
30 honest about saying that that has run into some problems because it perhaps has been too
31 rapidly. So I think this gives evidence that in fact even well intentioned, indirect means still
32 can have problems associated, so we shouldn't assume that just because something is
33 indirect that it's going to be easily implementable.

34 The Ambassador had Connie's point of avoiding creating or supporting these special
35 interest groups is obviously crucial, this is something we try to avoid wherever we work. But
36 on the other hand we need partners, okay, so that's going to be the difficulty. And in this
37 bridging the divide between what he termed the civil war of ideas is I think at the heart of
38 what we need to do in many countries, and we're going to need to find partners and allies for
39 that without creating artificial ones. That will be a real challenge.

1 Amy Hawthorne's point that moderates are fragmented and that what we need to do
2 somehow is build up these networks again is sort of like a no brainer, but we have not really
3 got a start on that.

4 The one disappointment I have today in spite of how useful this discussion was is, you
5 know, we wanted to actually come away with names of groups for example in Pakistan and
6 Indonesia, and maybe we were following up with you on this, that would go into such a
7 network. Because we are going to be conceivably under a bit of a time pressure to develop
8 these types of things in the coming months.

9 I think Professor Liddle's point is ultimately -- and we've debated this among ourselves
10 -- is we can't really pick the winners and we're either going to have to support the process
11 and accept the results or not. And I think that's going to be one of the toughest pills for the
12 administration as a whole to swallow. But I see signs that they're moving that way, at least
13 so far in terms of the rhetoric.

14 We've been talking about all this sort of high-faluting stuff, Professor Azis brought us
15 back down to the ground I think with his comment that, if I understood him, that 60 percent
16 of high school graduates are today unemployed, at least right after graduation.

17 Anything we do to promote moderation and greater dialogue and all this is only going to
18 be -- is going to be necessary but not sufficient as long as we have social problems of this
19 magnitude. And let's just not forget that. Job creation is one of the most important things we
20 can do along with basic education.

21 Amy, I thought your point of the two levels of legitimacy and credibility was very useful
22 and I think we need to dig into that a bit more. The big picture and how local issues are
23 addressed by country teams, embassies and the admissions on the ground.

24 Professor Haqqani, you sort of followed up on that with a provocative statement though
25 that I'm sure how many of us caught, which is basically saying perhaps we should consider
26 that not doing anything really until the situation improves was the way you put it, but rather
27 sort of pre-position. And I think as Michael just indicated we may not have that luxury, but
28 then the subsequent discussion talks so much about the danger of getting it wrong. And I
29 think we all remain very cognizant of that danger, the indirect versus direct certainly is more
30 in AIDs modus aperiens, and I think we'll stick with that.

31 In everything we do we have to recognize what one speaker identified, I think it was
32 Amy again, there's a true ambivalence about our motives on the one hand, and our interest,
33 and I like to think that we, especially those who have spent some time overseas, can be very
34 sensitive to that, and I think we have to remain so.

35 And then, Michael, at the risk of repeating something you said not more than a few
36 minutes ago I think ultimately and in the end if this is going to have any chance of success we
37 really need to be honest to ourselves, and to people in the countries in which we work, about
38 our objectives. There's nothing wrong with saying we're here to impart, support moderation,
39 improve tolerance, and to mitigate the extremism, and let's just be up front about it.

1 MR. BRESLAR: If I could just -- just one final word, you did an excellent job. These
2 are difficult times, I have no platitudes, not theology, to go forward but I think you've heard
3 passion on all sides here and I appreciate Michael's comment at the end. It's difficult for us
4 to say we would sit back on the side and not do anything, I think we've had a lot of
5 suggestions, moderate suggestions today on what we can do.

6 I want to come back to one thing though, and it was Amy's point on the Middle East
7 Partnership Initiative. Your point that are we doing enough to work with local partners in
8 designing and evaluating. I know Ahmed came in and said yes, we think in Indonesia and
9 perhaps other countries USAID is pro-active in that.

10 I think we do a pretty good job. We could always do better, but we really have to be
11 careful. However this Muslim world outreach initiative moves forward, however MEPI
12 moves forward, it can't be a home-grown U.S. government initiative. I think we all see that,
13 I think we all feel that, and I know we may say in terms of U.S. foreign policy interests our
14 hearts are in the right place, but we really need to engage local communities, we need to
15 engage the countries that we're going to be working in, and we need to engage partners like
16 yourselves on the panel to make sure that we have good solid advice, and to make sure that
17 we hear your perspectives, and to make sure you can direct us even on the types of groups,
18 type of individuals, political parties, or whatever that we should be dealing with.

19 So again, just a second time, we appreciate your being here, we appreciate your
20 invitations to keep in touch, and I do hope that we have all your coordinates so that we can
21 keep in touch and really go forward with a dialogue. It's been great. I learned a tremendous
22 amount and I think we all have, and I hope we can continue it.

23